

S. HRG. 111-719

**YEMEN: CONFRONTING AL-QAEDA,
PREVENTING STATE FAILURE**

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

—————
JANUARY 20, 2010
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Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpoaccess.gov/congress/index.html>

U.S. GOVERNMENT PRINTING OFFICE

62-357

WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
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CONTENTS

	Page
Benjamin, Hon. Daniel, Coordinator for Counterterrorism, Department of State, Washington, DC	8
Joint prepared statement with Ambassador Jeffrey D. Feltman	10
Responses to questions submitted for the record by Senators:	
Richard G. Lugar	77
Robert P. Casey, Jr.	85
Bodine, Hon. Barbara, diplomat in residence, lecturer of public and international affairs, Princeton University, Princeton, NJ	35
Prepared statement	37
Response to question submitted for the record by Senator Robert P. Casey, Jr.	86
Feingold, Hon. Russell D., U.S. Senator from Wisconsin	19
Prepared statement	20
Feltman, Hon. Jeffrey, Assistant Secretary of State for Near Eastern Affairs, Department of State, Washington, DC	6
Joint prepared statement with Ambassador Daniel Benjamin	10
Responses to questions submitted for the record by Senators:	
Richard G. Lugar	80
Robert P. Casey, Jr.	86
Gillibrand, Hon. Kirsten E., U.S. Senator from New York	30
Prepared statement	31
Johnsen, Gregory, Princeton University, Princeton, NJ	51
Prepared statement	53
Kagan, Frederick W., resident scholar and director, American Enterprise Institute's Critical Threats Project, Washington, DC	42
Prepared statement	44
Kerry, Hon. John F., U.S. Senator from Massachusetts, opening statement	1
Lugar, Hon. Richard G., U.S. Senator from Indiana, opening statement	4
Nakhleh, Emile, former senior Intelligence Service Officer, former director of the Political Islam Strategic Analysis Program, Central Intelligence Agency, Albuquerque, NM	45
Prepared statement	46
Response to question submitted for the record by Senator Robert P. Casey, Jr.	88
ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD	
Dodd, Hon. Christopher J., U.S. Senator from Connecticut, prepared statement	76
Responses of Assistant Secretary Jeffrey Feltman and Coordinator for Counterterrorism Daniel Benjamin to questions submitted for the record by Sentaor Russell D. Feingold	83

YEMEN: CONFRONTING AL-QAEDA, PREVENTING STATE FAILURE

WEDNESDAY, JANUARY 20, 2010

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10 a.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Feingold, Casey, Kaufman, Gillibrand, Lugar, Corker, and Isakson.

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

The CHAIRMAN. The hearing will come to order.

Good morning, everybody. Thank you for being here to join us at this hearing.

We're here to discuss, as everybody knows, the question of al-Qaeda and Yemen, and the choices ahead for United States policy toward a nation whose challenges are just absolutely daunting and numerous.

I was reading a number of articles on the way in today, on the flight from Massachusetts. And boy, between the addictive qat plants, that use up enormous amounts of water, to the sectarian and other divisions, to the absence of water in the country, as well as the problem of extremism, it is a country that is seriously challenged. And we're going to look at those challenges here today.

Before we do, let me just say, a moment, that I want to emphasize that the thoughts of this committee, and a lot of our work in the last week, are very, very much with the people of Haiti, whose country has just been shattered—if “shattered” is even an adequate way to describe what has happened in that country. Our doctors, troops, aid workers, and volunteers are racing to reach those in desperate need, and Americans are making record donations. Next week, the committee will hold a hearing to review our response, but today we send our condolences and, urgently, our help to the Haitian people.

I've been on the phone almost every single day, with either Administrator Rajiv Shah or with other personnel in the State Department, working on this issue of relief. We've been working very hard to get extra flights in, to get slots, to get Partners in Health—doctors and other workers—there, as well as—I have been in touch regularly with Len Gengel, of Massachusetts, whose daughter remains lost and trapped, conceivably within the Mon-

tana Hotel. So, there is a lot that is happening on a lot of different fronts. There are literally thousands of stories of missing people, and a massive, massive effort to try to address it, that is taking place.

This administration, and many on this committee, have long been concerned by the threat posed by al-Qaeda's beachhead in Yemen. In fact, by Christmas the administration had already begun partnering with Yemen's Government to go on the offensive against al-Qaeda in the Arabian Peninsula.

Al-Qaeda's presence in Yemen may not be new, but it is evolving. Last January, Saudi and Yemeni al-Qaeda branches merged to form al-Qaeda in the Arabian Peninsula, or AQAP. In May, an AQAP bomber traveled from Yemen to launch a failed assassination attempt against a Saudi prince. Then the foiled Christmas Day attack revealed AQAP's ambition to launch terrorist operations not just regionally, but globally, and against America.

Last night, the Foreign Relations Committee released a majority staff report on terrorism in Yemen and Somalia that reveals troubling new dimensions of the threat. According to United States law enforcement officials, over the past year as many as three dozen American ex-convicts have traveled to Yemen upon release from prison. They reportedly went to study Arabic, but several have since disappeared, raising concerns that they may have gone to al-Qaeda camps for training. United States and Yemeni officials are also concerned about the whereabouts and intentions of a smaller group of Americans who have moved to Yemen and who have adopted a radical form of Islam and married local Yemeni women.

As our enemies' tactics evolve, clearly we need to keep up. In fact, we need to be a step ahead of them, if possible. And that includes taking a close look at the unique threat posed by American recruits into al-Qaeda.

We need to recognize that al-Qaeda is also just one of several profound interlocking threats that Yemen faces. Consider—and I think it's a question that's appropriate for us to ask—how Yemen might look in the year 2030: Its population has doubled, but its oil wells have disappeared and water has run dry. The central government, sapped by civil wars in the north and south, no longer exerts power, outside a few population centers. Millions of refugees, many illiterate and unskilled, are pouring out into the Arabian Peninsula and beyond. And al-Qaeda is now deeply woven into Yemeni tribal society, having married into tribes and set up a network of schools and humanitarian aid in places forgotten by the central government.

This scenario can be averted. But, let me tell you, it is clear to me that we need to craft a strategy that actually addresses our immediate, uncompromising need to go after al-Qaeda, while also ensuring that Yemen is not more dangerous in 2030 than it is today. Frankly, that's going to require an effort that, I must say, the more I examine the issues of Afghanistan and Pakistan, and now Yemen and other places, the more I have to question whether or not America, and Americans, have made the judgments necessary, to make the commitments necessary in resources and effort and patience, in order to address these kinds of challenges. And this committee has a principal responsibility to try to examine what those policies

ought to be and what those responses most appropriately should be.

I think the administration is correct to ratchet up our development and military aid in return for greater cooperation from President Saleh and his government. But, we also need to enlist the help of others. Saudi aid dwarfs that of all other donors to Yemen, including our own. And so, frankly, does their leverage. The key is to match Arab resources and local knowledge with Western technical and development expertise. Next week's London ministerial meeting on Yemen is a crucial chance to begin formulating an effective coordinated effort commensurate with the scale of the challenge.

Second, we need to be smart about how our actions are felt on the ground. Anti-Americanism, just as we see it in Pakistan, for instance, and other parts of the world, runs deep in Yemen, and a narrow focus on al-Qaeda risks stoking resentment, raising al-Qaeda's profile, and limiting the government's ability to sustain a partnership with us. If our development efforts can deliver concrete benefits, not just to the ruling elite but to a Yemeni society hungry for better job prospects, that will undercut the appeal of the extremist narrative.

I guess I don't have to mention, but I'll just underscore to my colleagues, the challenge of that at a time when we obviously face challenges here at home, with people who are already angry and frustrated about the absence of job creation, and the challenges that we face in terms of our own quality of life. But, let me tell you, our own quality of life will be affected by nothing more significantly than attacks from abroad by people who are successfully focused on us, and we cannot, we dare not, turn our efforts away from an adequate response to this national security challenge.

USAID's new assistance strategy to address the drivers of Yemen's instability is an important starting point. Government partnership, strong support from the international community, and a targeted approach focused on local institutions will also be vital ingredients of any future success.

Third, we have to be realistic about Yemen's current capacity to fight al-Qaeda, and commit ourselves to improving that capacity over time. Even before Christmas, the Yemeni military had begun taking the fight to al-Qaeda. But, over time, nothing would do more to move counterterrorism further up the Yemeni Government's priority list, not to mention dramatically improving Yemen's long-term prospects, than finding a way to turn down the temperature on the Houthi rebellion in the north and civil unrest in the south.

The Houthi conflict is not primarily sectarian in nature, but as it drags on, it risks expanding into a regional proxy war. Most see no military solution to this conflict. If that's true, then we should work with the international community even harder to contain the fighting, ensure the humanitarian supplies reach the victims, and eventually address the root causes.

Likewise, in southern Yemen we must find ways to encourage President Saleh to address longstanding grievances before unrest becomes insurgency. And finally, we should view the threat posed by AQAP in the context of a global challenge. al-Qaeda's affiliates

demand our attention, but the movement's nerve center remains in Pakistan.

Many in Washington have recently begun a crash course in Yemen. We are fortunate to have with us today several genuine experts who have been studying Yemen for decades. Assistant Secretary of State Jeffrey Feltman and State Department Coordinator for Counterterrorism Daniel Benjamin have been deeply engaged for a long period of time on this issue, and we're eager to hear from them about our strategy to defeat al-Qaeda and to prevent a state failure in Yemen.

I'm also pleased to welcome a second panel of four knowledgeable experts who will shed light on this complex society and describe, frankly, the few easy answers and lack of a clear template.

Barbara Bodine served as America's Ambassador to Yemen from 1997 to 2001, including during the bombing of the USS *Cole*, so she can speak directly to the challenges of partnering with the Yemeni Government in fighting al-Qaeda and the complexity of working in Yemen.

Dr. Emile Nakhleh is the CIA's former senior scholar in residence, and founder and first director of the Agency's Political Islam Strategic Analysis Program.

Frederick Kagan is a resident fellow at the American Enterprise Institute and one of the intellectual architects of the Iraq surge strategy.

And finally, Gregory Johnsen has deep on-the-ground knowledge of Yemen, and has quickly become a go-to voice and important filter for our public debate.

So, thank you very, very much, Secretary, for being here today. We welcome you, and we look forward to your testimony after Senator Lugar has finished his opening statement.

Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,
U.S. SENATOR FROM INDIANA**

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

I join you, and I'm certain that's true of all the committee members, in your expressions about Haiti and the work of members of this committee and our staffs in attempting to help individuals and groups from our own States and constituencies, in addition to the great work being done by USAID and our military.

I thank you also for holding this timely hearing on Yemen, and I join you in welcoming our distinguished witnesses.

Last year, I was pleased to cosponsor with Senator Cardin, Senate Resolution 341, which passed by unanimous consent in early December. The purpose of the resolution was to raise awareness about the problems Yemen faces, including the threat from al-Qaeda in the Arabian Peninsula. Among other points, the resolution called on the President to "give sufficient weight to the situation in Yemen in efforts to prevent terrorist attacks on the United States, United States allies, and Yemeni civilians." The resolution also emphasized the need to address Yemen's severe underdevelopment and to promote good governance, without which stability in that country will be elusive.

The appeal of Islamic extremism in Yemen is heightened by the country's staggering unemployment rate. With half the population under the age of 15, an enormous generation is coming of age without economic opportunity. As one thoughtful Yemeni official said recently, "Either we give our young people hope or someone else will give them an illusion."

The United States must work urgently and creatively to meet the potential terrorist threat from Yemen. But, we can't do it alone. First and foremost, we need the unequivocal commitment of Yemen's Government to combat al-Qaeda. Our long-term strategy must account for the reality that pursuing al-Qaeda in the Arabian Peninsula is neither logistically easy, nor politically popular with the Yemeni people. We need to communicate to Yemen's people that our battle is not with them. We should demonstrate our common interests in promoting economic prosperity, supporting good governance, and fighting violence and extremism. We should not be shy about advocating political reform and decentralization, goals that will both resonate with the Yemeni people and promote greater stability.

To this end, we should develop common cause with reform-oriented officials in the government and with like-minded donors. We should help empower civil-society organizations in Yemen that want to be part of the solution.

Last fall, I asked the Foreign Relations Committee minority staff to study the situation in Yemen. I am circulating the staff report, so that its findings may help inform our deliberations.

Indeed, in my view, the debate about Yemen needs to be refocused. In the days since the foiled December 25th attempt to blow up Northwest Airlines Flight 253 en route to Detroit, the media has focused much attention on after-action analysis of the series of human and systemic errors that allowed the would-be bomber to board his flight. Much of this analysis is connected to affixing blame for this event. This reaction is inevitable, and perhaps necessary to correct security flaws, but it does not address the more difficult problem of the terrorist threat emanating from Yemen.

If we are to have any hope of neutralizing this threat and helping that country move away from the brink of state failure, our Nation's policymakers need to comprehend the intricate social, economic, and historic forces at play. That is why we are here today.

I hope our witnesses will help inform the policy debate and generate options. To that end, I would ask our witnesses to offer their observations on the appeal of violent extremism in Yemen. What factors have allowed al-Qaeda in the Arabian Peninsula—AQAP—to regroup in Yemen? Has AQAP taken advantage of the Yemeni Government's preoccupation with the rebellion in the north and a secessionist movement in the south? The existence of swaths of ungoverned spaces are inviting to this terrorist organization, but what kind of support does AQAP enjoy in Yemen? What are AQAP's key vulnerabilities, and how can they be exploited?

We also need to better understand Yemen's other conflicts. What are the dynamics of the war in the north, and the underpinnings of the secessionist aspirations of the south? What are the prospects that these conflicts can be resolved peacefully? Yemen also faces a multitude of socioeconomic challenges, including depleting oil re-

serves, rapidly diminishing water resources, and widespread poverty and unemployment. To what degree is stability in Yemen dependent on addressing these problems?

To the extent that Saudi Arabia exercises the greatest leverage over its neighbor, how can the United States most effectively partner with Riyadh to help address Yemen's challenges? Are there opportunities to work more effectively with the Gulf Cooperation Council? What creative ideas is the administration bringing to the Friends of Yemen meeting in London this week?

Finally, we need a comprehensive view of the humanitarian crises in Yemen. What are the obstacles to the provision of humanitarian relief to those who have been displaced? What is the status of Somali and Ethiopian refugees, and what more can be done to address their plight? Is there a nexus, as some have suggested, between AQAP and Somalia?

I appreciate the depth of experience that our witnesses possess on these issues, and I look forward to their insights.

And I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Lugar. You raise a lot of additional good questions, and I'm confident that testimony and our exchanges will probe them.

So, Secretary Feltman, if you'd lead off, and, Ambassador Benjamin, if you'd follow afterward? Thank you.

STATEMENT OF HON. JEFFREY FELTMAN, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador FELTMAN. Thank you, Chairman Kerry, Ranking Member Lugar, members of the committee. Thank you very much for holding this hearing, for inviting me, for inviting Ambassador Benjamin and the other witnesses to appear. We very much look forward to working with this committee to address the many challenges, that you have both described, that Yemen faces.

We'd like to submit a lengthier testimony, for the record, in which we detail some of the challenges facing Yemen and threats to United States interests that emanate from that country.

Given the gravity and the complexity of the situation in Yemen, the Obama administration launched a full-scale policy review shortly after coming into office. The administration recognized the increasing importance of dealing with Yemen in strategic, not just tactical, terms.

The resultant strategy is twofold. On the one hand, we want to operate to bolster and support Yemen on the security side. On the other side, we want to promote good governance and development on the socioeconomic side. We believe that focusing on one dimension to the exclusion of the other cannot lead to sustainable success on either.

I'd like to make four points in the opening statement and then look forward to answering any questions that the committee may have.

The first point is that Yemen has been a top United States foreign policy issue since this administration took office 1 year ago today. The attempted attack on Christmas Day, you know, served as a wakeup call to some regarding the apparent capability of

al-Qaeda—of an al-Qaeda affiliate in Yemen—to carry out attacks beyond the Middle East. But this attack confirmed what many have known for years: militant extremists in Yemen are able to operate in what Senator Lugar called the “ungoverned territories” there, and they threaten United States national security, as well as the interests of key allies.

With the support of this committee and Congress, we have been steadily ramping up security and development assistance since fiscal year 2008. Recognizing the toxic effect of a deteriorating governance and development situation in the country, the United States Government has developed an assistance strategy that will take aim at Yemen’s socioeconomic challenges. Ambassador Benjamin may go into greater detail regarding our security and counterterrorism assistance.

The second point I’d like to emphasize, following up on what the chairman said, is that we are not alone in engaging with Yemen to improve the situation there. The international community, particularly Yemen’s neighbor states, such as Saudi Arabia, are well aware of the need to help Yemen address its security and economic challenges, both in the short and in the long term. We’re coordinating actively with other countries to work with the Government of Yemen and to bolster its ability to deliver services to its people, to fight corruption, and to confront the threat posed by al-Qaeda and other militant extremists. The international coordination committee—the international coordination meeting that will take place next week in the United States will jump-start that effort of working with other countries.

Third point: We are not naive about our Yemeni partner. The Government of Yemen is beset by many challenges, including the unrest in the south of the country and a violent conflict in parts of the north. The government’s ability to provide services and exercise its authority is inconsistent over different parts of its territory. And frankly, the Government of Yemen’s track record on human rights, on governance, on anticorruption efforts, has also been wanting and is in need of intense focus and attention.

In terms of the Government of Yemen’s determination and willingness to confront the threat of al-Qaeda militants in the country, we should be, and we are, encouraged by recent steps that the government has taken. These militant extremists are a threat to the United States and to Yemen.

Our partnership and support for Yemen’s counterterrorism measures is not an endorsement of all the Government of Yemen’s policies. In fact, the United States is supporting government reform efforts, education and training initiatives, and an emerging civil society, in order to promote better transparency in government, better protection of human rights, and to address questions of devolution of authorities. We will continue to seek improvements on all these fronts, even as we help the Yemeni Government take on al-Qaeda.

The fourth and final point: I would like to emphasize the importance of your support and the participation of all U.S. Government agencies in our pursuit of success in Yemen. As Secretary of State Clinton said recently, in states where the odds of succeeding may be long, “The risks of doing nothing are far greater.”

So, in Yemen, the complexity of the economic, the political, the governance, and the security situations truly require a whole-of-government approach to our policy. We cannot afford to neglect the experience, the resources, or the leverage available across our government.

Thank you. We look forward to hearing your questions.
The CHAIRMAN. Ambassador Benjamin.

**STATEMENT OF HON. DANIEL BENJAMIN, COORDINATOR FOR
COUNTERTERRORISM, DEPARTMENT OF STATE, WASHINGTON, DC**

Ambassador BENJAMIN. Senator Kerry, Ranking Member Senator Lugar, members of the committee, thank you very much for the invitation to speak to you today about confronting al-Qaeda in Yemen.

The attempted, but unsuccessful, attack on a United States-bound aircraft on December 25 has reminded us all that the al-Qaeda threat to the United States remains substantial and enduring. Once again we are reminded of the threats that can emerge when ungoverned and poorly governed places around the world are exploited by terrorists.

The last few weeks have focused much of the country's, and perhaps the world's, attention on Yemen, a place where the United States and the international community have been engaged for years in tackling a multitude of challenges. Our dual-pronged strategy will help Yemen confront the immediate security concern of al-Qaeda and also to mitigate the serious political and economic issues that the country faces in the longer term.

Not only will we work to constrict the space in which al-Qaeda has to operate, but we will assist the Yemeni people in building more reliable and legitimate institutions and a more predictable future, which, in turn, will go far in reducing the appeal of violent extremism. It is a strategy that requires full Yemeni partnership. It is a strategy that requires working closely with regional partners and allies. And it is a strategy that requires hard work and American resources. The challenges are great and they are many, but the risk of doing nothing is of far greater consequence.

Contrary to some recent and somewhat sensational accounts of al-Qaeda in Yemen, it is important to note that this is not a new front in our war on al-Qaeda. The threat has waxed and waned in Yemen since December 1992, when followers of Osama bin Laden tried to bomb a hotel housing United States troops in Aden, en route to Somalia to support the U.N. mission there, well before the attack on the USS *Cole* in 2000.

In January 2009, as Senator Kerry noted, the leader of al-Qaeda in Yemen, Nasir al-Wahishi, publicly announced that Yemeni and Saudi al-Qaeda operatives would work together under the banner of al-Qaeda in the Arabian Peninsula.

Not including the attempt on December 25, in the past 2 years this al-Qaeda franchise has carried out a string of attacks on embassies, including the U.S. Embassy in September 2008. It has also carried out attacks against tourists and security services in Yemen, and it launched a failed attack against the head of counterter-

rorism in Saudi Arabia. Now it has attempted to attack the United States directly.

While the threat is urgent and addressing the problem is complicated, we have an ambitious policy to contend with these challenges. We recognize that al-Qaeda has taken advantage of insecurity in various regions of Yemen, which is worsened by internal conflicts and competition for governance by tribal and nonstate actors. We also know that Yemen is grappling with serious debilitating poverty, which translates into difficulties for governing the whole society and having the effective security services to deal with terrorism. Stated bluntly, to have any chance of success, U.S. counterterrorism policy has to be conceived in strategic, not tactical, terms and timelines. Therefore, our strategy is to build up the Yemeni capacity to deal with the security threats within their borders and to develop government capacity to deliver basic services and economic growth.

Success in defeating al-Qaeda in the Arabian Peninsula requires the political will of the Yemeni Government and people. The government has shown renewed commitment to confront al-Qaeda and to recognize it as a threat to the people and to the state of Yemen. Just last week, airstrikes targeted senior AQAP leaders. Ten days before that, Yemeni forces arrested one AQAP leader and four other members in a raid near Sana'a on January 4, as part of the effort to root out the extremists responsible for threats to the United States and British Embassies.

Now more than ever, Yemen needs U.S. Government assistance to train and equip its security forces. On the security front, the Departments of State and Defense provide training and assistance to Yemen's key counterterrorism units. We have steadily increased our assistance and will seek increases in FY 2010 and 2011. In addition, we are working with DOD to provide 1206 counterterrorism assistance for Yemen. Through diplomatic security antiterrorism assistance programs, we provide training to security forces in the Ministry of Interior, including the Yemeni Coast Guard, and the Central Security Force's counterterrorism units. Future training could include border control management, crime scene investigation, fraudulent document recognition, surveillance detection, crisis management, and a comprehensive airport security and screening consultation and assessment.

In order to succeed in Yemen, we must understand how recruits are radicalized, what their motivations are, and how we can mitigate or prevent extremism, so that we can begin to turn the tide against violent extremism and delegitimize the rhetoric that justifies violence, exactly the points that Senator Lugar was making a moment ago.

Some of our aid programs will help address underlying conditions for at-risk populations. Reducing corruption and improving good governance are also critical. We will continue to build positive people-to-people engagement with the people of Yemen.

Many nations share our concern about Yemen and want to assist. This is not solely a U.S. initiative. Regional and international cooperation are fundamental components of our strategy. International assistance can multiply the benefits of United States assistance in building Yemen's capacity to defeat terrorists and

develop a well-governed and economically thriving society. We are also working internationally to prevent funds from getting to AQAP.

As soon as AQAP announced its formation, we began gathering information to build an international consensus behind designating the group under United Nations Security Council Resolution 1267. Yesterday, following our announcement of the U.S. designation of AQAP as a foreign terrorist organization and its senior leaders as designated terrorists, the U.N. announced the designation of AQAP as well, and added al-Wahishi and al-Shihri to the consolidated list. This will require all U.N. member states to implement an assets freeze, a travel ban, and an arms embargo against these entities.

We have described a number of different initiatives. What we have described here, though, is a beginning and not an end. As the witnesses in the next panel, I'm sure, will also tell you, Yemen is a place with an enormous number of political, economic, and security challenges. But, our strategy reflects serious and enduring commitment to work with our partners and the Yemenis to confront the threat of al-Qaeda; and ultimately, I am confident that this will lead to the decisions and actions that will strengthen security for our Nation and the global community.

I want to thank you very much for the opportunity to speak here today, and I look forward to answering your questions.

The CHAIRMAN. Thank you very much, Ambassador.

And without objection both of your full testimonies will be placed in the record as if read in full.

[The joint prepared statement of Ambassadors Feltman and Benjamin follows:]

JOINT PREPARED STATEMENT OF AMBASSADOR JEFFREY D. FELTMAN, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AFFAIRS AND AMBASSADOR DANIEL BENJAMIN, COORDINATOR FOR COUNTERTERRORISM, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. Chairman, Ranking Member Lugar, and distinguished members of the committee, thank you for the opportunity to appear before this committee today to discuss this important subject.

The unsuccessful attack on a U.S.-bound aircraft on December 25, 2009, serves as a further reminder of the threats that can emerge when ungoverned and poorly governed places around the world are exploited by terrorists. The United States and the international community have been engaged in supporting good governance, sustainable development, and improved security in Yemen for years. Recognizing the growing threat emanating from Yemen, the United States has been significantly ramping up levels of both security and development assistance since FY 2008. In addition, this administration has developed a new, more holistic Yemen policy that not only seeks to address security and counterterrorism concerns, but also the profound political, economic, and social challenges that help al-Qaeda and related affiliates to operate and flourish.

Yemen is beset by a number of challenges and crises. The Senate recently noted these challenges with the passage of Senate Resolution 341, sponsored by Senators Cardin, Lugar, Casey, and Lieberman. Senator Kerry called for this hearing where the spotlight will shine brighter on the situation in Yemen. Other Members of Congress, including Senator Feingold, have regularly raised awareness of the threats emerging from Yemen that pose serious challenges to America's national security.

The United States supports a unified, stable, democratic and prosperous Yemen. The Government of Yemen's approach must be a comprehensive one to address the security, political, and economic challenges that it faces and the United States will be supportive in those efforts. We look forward to continuing to work with Congress as we refine and implement our strategy moving forward.

CONTEXT FOR U.S. POLICY TOWARD YEMEN

Due to increasing concerns about instability in and threats emanating from Yemen, the Obama administration decided to undertake a full-scale review of our Yemen policy, under the aegis of the National Security Council, in the spring of 2009. The primary threat to U.S. interests in Yemen and a grave threat to the security and stability of the Government of Yemen (ROYG) is the presence of al-Qaeda-related extremists in the country. This threat was brought home to the American public by the attempted bombing of NWA Flight No. 253 on Christmas Day. As President Obama noted on January 2, the suspect “traveled to Yemen, where it appears that he joined an affiliate of al-Qaeda, and that this group—al-Qaeda in the Arabian Peninsula—trained him, equipped him with those explosives, and directed him to attack that plane headed for America.”

The al-Qaeda threat in Yemen is not new. Indeed, al-Qaeda has had a presence in Yemen since well before the United States had even identified the group or recognized that it posed a significant threat. In 1992, al-Qaeda militants attacked a hotel in Aden where American military personnel were staying, en route to Somalia to support the U.N. mission. Two individuals were killed, neither of them American. In the 1990s, a series of major conspiracies were based in Yemen, most of them aimed at Saudi Arabia. Following the attack on the USS *Cole* in 2000, the Yemeni Government, with support from the United States, dealt significant blows to al-Qaeda’s presence in Yemen through military operations and arrests of key leaders. During much of the subsequent period, the Government of Yemen became distracted by other domestic security concerns, and our bilateral cooperation experienced setbacks. After the May 2003 al-Qaeda attacks in Saudi Arabia, the Kingdom of Saudi Arabia dramatically improved its counterterrorism efforts. Many radicals fled Saudi Arabia for Yemen, joining other fighters who had returned from Afghanistan and Pakistan. A group of senior al-Qaeda leaders escaped from a Yemeni prison in 2006, further strengthening al-Qaeda’s presence.

For the last 5 years, these terrorists have carried out multiple attacks against Yemenis, Americans, and citizens of other countries. In January 2009, the leader of al-Qaeda in Yemen (AQY), Nasir al-Wahishi, publicly announced that Yemeni and Saudi al-Qaeda operatives were now working together under the banner of al-Qaeda in the Arabian Peninsula (AQAP). Evidence of the December 25 conspiracy indicates that AQAP has become sufficiently and independently capable of carrying out strikes against the United States and allies outside of the Arabian Peninsula, including in the U.S. homeland.

Upon entering office, the Obama administration quickly understood that this al-Qaeda-related activity, as well as poor and deteriorating development indicators—including poverty, illiteracy, and a lack of access to health care—troubling human rights conditions, and a bleak long-term economic outlook, demanded a reappraisal of our Yemen policy. We needed a strategy able to match the complexity and gravity of the challenges facing Yemen.

The U.S. Government review has led to a new, whole-of-government approach to Yemen that aims to mobilize and coordinate with other international actors. Our new strategy seeks to address the root causes of instability, encourage political reconciliation, improve governance, and build the capacity of Yemen’s Government to exercise its authority, protect and deliver services to its people, and secure its territory.

A TWO-PRONGED STRATEGY

U.S. strategy toward Yemen is two-pronged: (1) strengthen the Government of Yemen’s ability to promote security and minimize the threat from violent extremists within its borders, and (2) mitigate Yemen’s economic crisis and deficiencies in government capacity, provision of services, and transparency. As Yemen’s security challenges and its social, political, and economic challenges are interrelated and mutually reinforcing, so U.S. policy must be holistic and flexible in order to be effective both in the short and long term.

The Government of Yemen faces a variety of security threats as well as challenges to the country’s very cohesion. Three are particularly acute: the presence of al-Qaeda and other violent extremists, the Houthi rebellion in the north of the country, and an increasingly militant protest movement in the south that has taken on secessionist overtones.

The violent conflict in the Sa’ada governorate of northern Yemen between the central government and Houthi rebels, and the protest movement in the South, which has led to riots and sporadic outbreaks of violence, are fueled by longstanding grievances. Just as the United States deplores the use of violence by these groups to

achieve their political goals, a solely military approach by Yemen cannot produce a lasting and sustainable end to conflict.

The continued fighting in the north against Houthi rebels has dire humanitarian consequences, with thousands killed and over 200,000 displaced in sometimes appalling conditions. We continue to call for a cease-fire and to encourage both parties to return to negotiations. While this is the sixth round of fighting and previous cease-fires did not last, we believe that serious political negotiations can address the core grievances that fuel the conflict as well as ensure that the Houthi rebels do not rearm or again threaten the Yemeni state. The United States will support the Government of Yemen's efforts to achieve a lasting peace that allows for the provision of humanitarian and development assistance in Sa'ada, and will encourage its gulf neighbors and other partners to do so as well. To assist those displaced by the conflict, USAID's Office of Food for Peace has donated \$7.5 million in emergency food aid and the Office of Foreign Disaster Assistance has contributed \$3 million to relief efforts.

The southern protest movement in Yemen is also extremely worrisome. The ROYG and southern leaders need to engage in a political dialogue that addresses political and economic grievances that stretch back to Yemen's unification in 1990. Decentralization offers one possible approach through which the central authority can devolve power and resources to individual governorates, encouraging local solutions to longstanding grievances.

Al-Qaeda, related extremists, and other destabilizing nonstate actors, to include criminal networks and tribal actors, benefit from these challenging circumstances in Yemen, including a weak central-government presence in the country's most restive areas. Despite certain commonalities, little evidence has emerged that the activities of these various nonstate actors are related, although we must remain mindful of that potential.

In the past year, senior administration officials have traveled to Yemen frequently, including, most recently, General David Petraeus, Deputy National Security Advisor Brennan and Assistant Secretary Jeffrey Feltman to press our concern about al-Qaeda's ability to operate from and within Yemen. The Government of Yemen's willingness to take robust measures to confront the serious threat al-Qaeda poses to the nation's stability has been inconsistent in the past, but our recent intensive engagement appears to have had positive results. In the past month, Yemen has conducted multiple operations designed to disrupt AQAP's operational planning and deprive its leadership of safe haven within Yemen's national territory. Yemen has significantly increased the pressure on al-Qaeda, and has carried out airstrikes and ground operations against senior al-Qaeda targets, most recently on Friday of last week. The United States commends Yemen on these successful operations and is committed to continuing support for an effective counterterrorism effort that will include both security and economic-development initiatives.

On the security front, the Departments of State and Defense provide training and assistance to Yemen's key counterterrorism units. Through Diplomatic Security Antiterrorism Assistance (DS/ATA) programs we provide training to security forces in the Ministry of Interior, including the Yemeni Coast Guard and the Central Security Force's Counterterrorism Unit (CTU). Future training could include border control management, crime scene investigation, fraudulent document recognition, surveillance detection, crisis management and a comprehensive airport security/screening consultation and assessment. We also see additional opportunities now to increase our training and capacity-building programs for Yemeni law enforcement. In addition, we are working with the Department of Defense to use 1206 funds for counterterrorism assistance to Yemen. With support from Congress, levels of U.S. security assistance and our engagement with our Yemeni partners has increased in recent years. The Departments of State and Defense coordinate closely in planning and implementing assistance programs.

The United States also engages directly and positively with the people of Yemen through educational and cultural programs and exchanges. These initiatives contribute to the long-term health of our bilateral relationship and help allay suspicion and misunderstanding. Exchange programs have a multiplying effect as participants return to Yemen and convey to friends and family the realities of American culture and society, dispelling damaging but persistent stereotypes. As public understanding of U.S. policy and American values increases in Yemen, extremist and anti-American sentiment wanes.

Along with severe poverty, resource constraints and governance problems, Yemen also confronts the challenge of a rapidly growing population. Per capita income of \$930 ranks it 166th out of 174 countries according to the World Bank. Yemen is highly dependent on oil exports, but its oil production is steadily decreasing. Water resources are fast being depleted. With over half of its people living in poverty and

the population growing at an unsustainable 3.2 percent per year, economic conditions threaten to worsen and further tax the government's already limited capacity to ensure basic levels of support and opportunity for its citizens. Endemic corruption further impedes the ability of the Yemeni Government to provide essential services.

The overarching goal of U.S. development and security assistance to Yemen is to improve stability and security by improving governance and helping to meet pressing socioeconomic challenges. Excluding for the moment 1206 and 1207 counterterrorism funding, U.S. development and security assistance have increased in Yemen from \$17.2 million in FY 2008, to \$40.3 million in FY 2009. Although final determinations have yet to be made, total FY 2010 assistance may be as much as \$63 million. These figures do not include approximately \$67 million in 1206 funds for FY 2009, the 1206 funds currently being discussed for FY 2010, or additional funds from State, USAID, and USDA contingency funds in FY09 and FY10. U.S. security and stabilization assistance targets the economic, social, and political sources of instability in the country, while seeking to make improved conditions sustainable over the long term by strengthening the governance capacity, political will, and effectiveness of the Yemeni Government in addressing these issues. At the same time, our targeted humanitarian assistance is responding to acute humanitarian crises and helping to bridge the gaps between relief and development.

Local conditions vary widely across Yemen's 21 governorates, for reasons related to geography, culture, relationships to the central authority, and governance practices. U.S. assistance must be based on an accurate and localized understanding of communities' needs. As security improves in the country, so will our ability—and that of other international donors—to work with the Government of Yemen to initiate education, health, and other development programs in traditionally underserved areas of Yemen. It is essential that the impact of these programs be visible and tangible, that communities feel ownership of the projects being implemented, and that programs encourage positive linkages to legitimate governing structures.

The United States is determined to halt and reverse troubling socioeconomic dynamics in Yemen. Priorities for U.S. assistance include political and fiscal reforms and meaningful attention to legitimate internal grievances; better governance through decentralization, reduced corruption and civil service reform; economic diversification to generate employment and enhance livelihoods, and strengthened natural resource management.

USAID is exploring opportunities to expand engagement with local civic and religious leaders on traditional practices and customs that can reinforce environmental sustainability, food security, and social cohesion. USAID will also work to build the capacity of Yemen's Government ministries to deliver services more effectively, efficiently, and responsively. Working in close coordination with other international donors, including Arab states, USAID can have a significant impact by improving the Yemeni Government's ability to absorb and use effectively foreign assistance.

The Middle East Partnership Initiative (MEPI) works with Yemeni civil society to strengthen good governance and the rule of law, improve internal stability, and empower Yemenis to build a more peaceful and prosperous future. MEPI has 26 active programs in Yemen, including a number of local grant programs. These programs include training for Yemeni Government ministries and advocacy and capacity-building for emerging civil society and nongovernmental organizations. Direct support of Yemeni organizations enables MEPI's assistance programs to be particularly flexible and to access communities in difficult to reach rural areas. MEPI-funded activities are, and will continue to be, coordinated with USAID and other programming.

The Bureau of Democracy, Human Rights and Labor (DRL) operates a program in Yemen to increase public awareness and understanding of religious freedom and tolerance with a particular focus on youth. This program is helping to counter extremism and encourage a culture of tolerance through a combination of training and events. In addition, DRL has solicited proposals for new programs in Yemen to support independent media and access to information, which will help strengthen transparent and accountable governance.

CHALLENGES AHEAD

Given the difficult political, economic, social, security, and governance challenges besetting the country, we must recognize progress will not come easily. But, as Secretary Clinton stated earlier this month, "the cost of doing nothing is potentially far greater."

The ROYG's ability to deliver services is limited by an inefficient, often corrupt, and poorly resourced bureaucracy. The Government's capacity to absorb assistance is similarly complicated by these limitations. In an effort to address these impedi-

ments, USAID's national governance program will work to bolster relevant institutions, including the National Audit Board and Supreme National Anti Corruption Commission. At a local level, the new USAID strategy works to promote better interaction between Yemenis and their government. Other donor nations and the World Bank are working to improve Yemens' bureaucracy so that the ROYG can be a better steward of development assistance and a more reliable service provider for its people. Unequal development and political marginalization of certain groups creates additional space for al-Qaeda to operate and the absence of government services aggravates political disagreements.

Limited and rapidly depleting natural resources also cloud Yemen's future. Oil serves as the government's primary source of revenue with 85–90 percent of export earnings, though oil production is decreasing and Yemen's reserves are projected to run out in 10 to 20 years. Water scarcity is another concern, in part for its negative affect on agricultural production and potential. The United Nations World Food Programme has deemed Yemen the most food-insecure country in the Middle East.

Demographically, the country is experiencing a youth bulge: according to a November 2008 USAID-funded study, close to half the population is under the age of 15, and another one-third is between the ages of 15 and 29. Youth unemployment is a major problem, with some data suggesting a rate that is double that of adults. Yemen's population has doubled since 1990 and is set to almost double again by 2025 (from 19.7 million in 2004 to 38 million in 2025). The country's limited resources are inadequate to support the existing and expanding population. These conditions, among other factors, make Yemeni youth susceptible to extremist messaging.

ADDITIONAL ELEMENTS OF U.S. RESPONSE

The United States is engaged with international partners, especially regional states, in working with the Government of Yemen to help address the need for rejuvenating the economy and promoting investment and job creation. Meeting in London in November 2006, the international community pledged \$5.2 billion for Yemen, although a significant portion of those funds has yet to be provided, largely due to a lack of confidence in the ability of the Yemeni Government to use this support effectively. The United States is providing assistance specifically aimed at increasing the capacity of the ROYG in this regard. We depend in these efforts on the involvement of Yemen's neighbors, which is important not just for Yemen's security, including border security, but also for its economic development. Secretary of State Clinton discussed increasing and coordinating international efforts to support Yemen at meetings during the U.N. General Assembly in September 2009 and with members of the Gulf Coordination Council in Morocco in November, 2009.

The United Kingdom will convene a ministerial meeting on Yemen in London on January 27. This meeting will help consolidate international support for Yemen, coordinate assistance efforts, and generate momentum in support of Yemen's political and economic reform efforts.

We acknowledge the regional nature of the terrorism threat and the need for regionally coordinated responses. In consultation with the Office of the Coordinator for Counterterrorism, U.S. ambassadors from the Middle East host regular strategy sessions where interagency policymakers and representatives of the combatant commands meet to assess threats and devise appropriate strategies, actionable initiatives, and policy recommendations. These regional strategy sessions provide mechanisms for ambassadors to tackle terrorist threats that one team, or one country alone, cannot adequately address.

United States strategy in Yemen recognizes that improved governance capacity in the country will be key to securing long-term gains, in terms of development indicators and security and stability. Good governance and effective institutions enable effective development work. In order to help make the environment increasingly hostile to the spread of violent extremism, we must help facilitate an improved relationship between Yemeni citizens and their government. The work of USAID, MEPI, DRL, and others is aimed at achieving these objectives.

CONCLUSION

We recognize quite clearly that the al-Qaeda threat emanating from Yemen directly threatens U.S. vital interests. We must address the problem of terrorism in Yemen in a comprehensive and sustained manner that takes into account a wide range of political, cultural and socioeconomic factors. Ultimately, the goal of U.S. and international efforts is a stable, secure, and effectively governed Yemen. Toward this end, we will work to restore confidence between the Yemeni people and their government through the provision of basic infrastructure and public services. As the

Government of Yemen grows more transparent and responsive to the requirements of its citizens, the seeds of extremism and violence will find less fertile ground and a more positive and productive dynamic will begin to prevail.

Money is obviously a small measure of what you can or can't do, particularly given the other difficulties that you've described, but a looming question is whether or not—I think we're up to \$63 million, is our aid package. I mean, a lot of people would look at that and sort of say, "Whoa, I mean, are we really serious?"

Ambassador FELTMAN. We have been on an upward trajectory—Mr. Chairman, we have been on an upward trajectory since—you know, for the last couple of years—you know, \$17–\$17.2 million, \$40 million, up to probably \$63-point million, which doesn't include some of the security systems that we're still talking about, 1206 funding and things like that. So, the actual number for fiscal 2010 will probably be far greater than the \$63 you referred to.

The CHAIRMAN. Well, money isn't the whole measure, obviously, but—

Ambassador FELTMAN. That's right.

The CHAIRMAN [continuing]. I'm just trying to get at, with the population growing at the rate it is and the number of unemployed and the other kinds of issues here, this radicalization is at the core of our challenge. I'm told—I don't know if this is true—but that our embassy people are pretty much shuttling between a fortress embassy and a fortress home, and that they really can't go out, that they're not—it's not safe enough for them to circulate in Yemeni society. Would you agree with that description?

Ambassador FELTMAN. The security challenges are great, yes, that they—they are greatly restricted in their movements and their ability to get across the whole country. I—

The CHAIRMAN. So, does that—

Ambassador FELTMAN [continuing]. Won't disagree.

The CHAIRMAN [continuing]. Beg the question as to whether or not we're on the right track, in the sense that maybe we're not the right people to do this? Particularly since we know there is such a level of anti-Americanism directed at us. And the Saudis, I gather, are at a billion dollars-plus, in terms of their package. Is that correct? With much greater leverage than we have.

Ambassador FELTMAN. That's the estimate. We're not sure of the exact figure, but that's—

The CHAIRMAN. Would you agree with the judgment that they have much greater leverage than we do?

Ambassador FELTMAN. Yes.

The CHAIRMAN. Would they also have much greater interests than—certainly more immediate interests, I won't say greater; protecting our shores and our homeland is as great as it gets—but, is theirs not more immediate, in the sense that there are also threats to them and to the government there?

Ambassador FELTMAN. In all of our conversations with the Saudis about Yemen, which have been many and frequent, I would base my judgment that, yes, the Saudis are focused on Yemen, they have interests in Yemen, they have leverage in Yemen, they are committed to trying to help the Yemeni Government in a variety of ways.

The CHAIRMAN. Is it possible that we, in fact, make it more difficult by presenting ourselves in the way that we do and creating, in a sense, a target? Would it be better if this were a more indigenous response, and our efforts were much more in terms of creating a regional kind of cooperation with those whose stakes are more real and immediate?

Ambassador FELTMAN. Mr. Chairman, we are, I think, moving along the very lines that you're suggesting. We are working bilaterally with regional partners in discussing how we coordinate our assistance in Yemen, how we use our leverage together to try to achieve shared interests in Yemen. We also are talking in regional groups. The Secretary met with the GCC in September, and the margins of the General Assembly, and one of the issues she talked about was Yemen. The Secretary met again with the GCC and a couple of other countries in November, in Marrakesh, to talk about how, together, we could address the challenges in Yemen. And the conference next week in London, the meeting next week in London, is also meant to be able to have—to not only raise attention to the challenges of Yemen, but also to try to come up with some common approaches to how to address those challenges.

So we are not alone in this. Our assistance is being designed with an awareness of what others are doing, the leverage that others bring to bear, and also with an awareness and sensitivity to the political and the security challenges that you raise.

AID has a new assistance strategy that will be implemented in this year. It has two main legs. One is called Community Livelihoods Program, the other is National Governments Program. And we're working at the local level for the Community Livelihoods Program in order to get U.S. assistance out across the country and to address some of the governance issues across the country. MEPI has a long history of giving grants to local organizations to promote civil society at the local grassroots level, going places where we ourselves can't go.

The CHAIRMAN. Yes. Well, believe me, I understand the tension that you are presented with, with respect to this kind of a choice, but I increasingly am beginning to feel that one of the keys to our foreign policy has got to be our ability to leverage action by some other people in certain places. And if they can't see the threat, or they don't share the perception of it, perhaps there are some different ways that we're going to have to respond to it. Because what I know is, Pakistan is central to our ability to be successful in Afghanistan, and our ability to be successful in both of those is the essential key to our overall counterterrorism strategy. If we're now, sort of, you know, opening this new front without adequate capacity to do it, and it pulls away from our capacity to complete the task elsewhere, I worry seriously about where that takes us, from both a larger, macropolicy point of view and just resource allocation and American patience and commitment, and so forth.

Ambassador BENJAMIN. If I may, Senator. We certainly share your concerns. We have very much approached this in a regional manner.

You mentioned the Saudis. The Saudis are obviously key. We won't see long-term durable improvements without Saudi engage-

ment. I should note that the UAE is also deeply concerned about this, and is very much engaged in Yemen.

But, having said all that, you know, we view this as being, at least right now, a good-news story, because it was sustained United States engagement by Secretary Feltman, by John Brennan at the White House, by General Petraeus, that actually turned around the Yemeni Government and really made them recognize the extent of the threat they face.

The CHAIRMAN. But, do you feel that that—do you feel that commitment is solid, or is there sort of a wavering as to how much goes to the Houthis challenge, how much goes to the southern component, and their own security issues?

Ambassador BENJAMIN. There's no question that the government faces a number of very serious security challenges, but we feel that this is a very good basis to work on. And if you look over the history of the last 6 or 7 years, we're in a better place than we have been for a long time. And I think that we ought to recognize the benefits that this kind of intensive engagement can bring us.

And I think that the London conference and other multilateral engagements, you know, present us with a very hopeful set of opportunities for the future. I think it's really a time to go forward.

The CHAIRMAN. Good. Appreciate those answers.

Senator Lugar.

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

I want to ask for your reactions to a couple of articles I have read about the Mosque at Al Eman University in Sana'a, Yemen. One of these articles, which appeared in the New York Times, points out that each Friday more than 4,000 men come to pray at this mosque, lining up along the marks of figured green carpet in an area that is much larger than a warehouse. Additionally, there is a related article that discusses Anwar al-Awlaki, the American-born pastor who has been over there indoctrinating impressionable Muslims, and was a lecturer at Al Eman University at the time that Umar Farouk Abdulmutallib, who was on the Detroit flight, was studying in Yemen.

Now, the point that Senator Kerry and the majority staff have made about Americans allegedly going to Yemen to engage with such radical figures is an important part of the larger situation that exists there, which poses a direct threat to American national security. Without diminishing for a moment the conflicts in the north and south, the continued ability of radical Islamists such as al-Qaeda in the Arabian Peninsula to operate in Yemen is attracting extremists from all over the Middle East, and even from the United States, such as the American-born clergyman I just mentioned, to settle there. This reality leads me to question what kind of influence we can project to address these issues, and with whom should we work to do so? We've talked about collaborating with the Saudis in various circumstances, but who do we partner with in this particular case? Is the President of the country interested in this proposition? Does he see these issues as a direct threat to himself and his regime, quite apart from simply having a potentially negative impact on the general stability of his country?

Ambassador BENJAMIN. Senator, you bring up an excellent point. There is no question that radical ideology has made significant in-

roads in a number of institutions and in parts of the population in Yemen. And there's no question that that poses a long-term threat, and the presence of someone like Anwar al-Awlaki, who has a lot of charisma and a real Internet presence, magnifies the threat.

But, I would suggest that, once the government has decided that it is deeply threatened by this kind of radicalism, that it can take steps that will make a real difference. And I would point you to Saudi Arabia in 2003. You know, after the May 2003 bombings, the Saudis had their own epiphany, and realized the extent of radicalism in their own country, and the extent to which it was being preached in mosques in many, many different parts of that country. They have done an extraordinary job of rolling that back.

Now, obviously, Saudi Arabia is a strong state and has resources and capacities that Yemen does not have, but I think that, in partnership together, we can do an awful lot. And once the government does a better job of communicating to the Yemeni people the nature of the threat that they face, I think that we will see that we can make real advances in this regard. But, of course, it will require a constant Yemeni partnership. They're not going to be convinced by us just broadcasting that fact.

Senator LUGAR. Well, does the relative weakness of the present Yemeni Government, as exemplified by these reports, increase the likelihood that it might be willing to consider some reconciliation with al-Qaeda? Or alternatively, it may very well be that President Saleh, faced with threats in the north and south, the continued presence of al-Qaeda in the country, and the problems of the university that we were just talking about, has a survival complex which is telling him it is in his best interests to work with our government to defeat this threat. If so, is the Yemeni Government of sufficient strength to be an able partner with us in this particular endeavor? And if not, would perhaps the Saudis be able to serve as a partner? I ask this because much of the area at stake is not necessarily ungoverned but is currently beyond the pale of much scrutiny on behalf of either the Saudi or Yemeni governments, which I think is an important observation due the threats to both states that exist there? I'm just trying to gain some handle on what to make of this. In other words, we are aware of and can adequately describe many of the problems at hand but precisely what is our major objective? And what objectives do we seek to fulfill relating exclusively to the threat posed to the United States, which may be quite apart from the threat to stability of the area?

Ambassador BENJAMIN. Senator, I don't think you're overstating the dimensions of the challenge. They are considerable. But, I think that, for the first time, we have a conjunction of two very important facts. One is a decisive turn by the Yemeni Government, and a decisive interest by the international community, as the upcoming London Ministerial demonstrates. And we have heard an extraordinary level of interest and concern, both from regional partners, from the Saudis, from the UAE, from others, but also from Europeans, who are major donors to Yemen. And I think that we have an opportunity now to coordinate our strategies and to raise the level of investment in Yemen in a way that will enhance the government's capabilities for dealing with this problem. I think that history has shown quite clearly that we benefit by investing

in the government that is there, and advancing our interests in that regard, rather than watching by as we have another failed state and then have to pick up the pieces. One need only look across the Red Sea to Somalia to see the enduring challenges that that poses.

Senator LUGAR. Who will be the participants? Who will participate in London? What can we hope will become of that? Is this a sort of a new phase, as you suggest, of interest by the rest of the world in this?

Ambassador FELTMAN. There was a meeting in London, called Friends of Yemen, back in November 2006, that had Yemen's neighbors, European countries, international organizations. They pledged \$5.2 billion to help Yemen, back in November 2006. Much of that money never was delivered. Most of that money was never delivered because of questions of governance, things like that. That's sort of that—part of the backdrop.

The second backdrop is the international realization of the challenges that Yemen poses for all of us. So, the London conference will highlight the international attention on Yemen, it'll allow us to coordinate our positions, it'll allow us to focus on the needed political and economic reform objectives that might help release some of this funding that was pledged well over 2 years ago.

Senator LUGAR. Thank you very much.

The CHAIRMAN. Thank you, Senator.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

**STATEMENT OF HON. RUSSELL D. FEINGOLD,
U.S. SENATOR FROM WISCONSIN**

The attempt to blow up a United States airliner on Christmas Day has shined a spotlight squarely, if belatedly, on Yemen, and I cannot overstate the importance of denying al-Qaeda safe havens in Yemen and countries like it, an issue that, as you know, I've been working on for many years. The threat from al-Qaeda in Yemen, as well as the broader region, is increasing, and our attention to this part of the world is long overdue.

And that's, of course, why I welcome today's hearing on confronting al-Qaeda and preventing state failure in Yemen, and why I'm pleased that the President will increase his focus on Yemen. We need to remember, as we focus needed resources and attention on Yemen, that it shouldn't be seen as the new Afghanistan or the new Iraq. Instead, Yemen highlights the broader need to develop a comprehensive, global counterterrorism strategy that takes into account security-sector reform, human rights, economic development, transparency, good governance, accountability, and the rule of law.

Mr. Chairman, this hearing is an opportunity for us to focus attention on the strategies and policies we need to deny al-Qaeda safe havens around the world, including in Yemen. There's also a chance for us to examine our policy in Yemen and better understand how we can develop a partnership that is both in our national security interest and helps Yemen move toward becoming a more stable, secure nation for its people.

And, Mr. Chairman, I'd like the rest of my statement to be submitted to the record if that's possible.

The CHAIRMAN. So ordered.

[The prepared statement of Senator Feingold follows:]

PREPARED STATEMENT OF HON. RUSSELL D. FEINGOLD,
U.S. SENATOR FROM WISCONSIN

Mr. Chairman, the attempt to blow up a U.S. airliner on Christmas Day has shined a spotlight squarely, if belatedly, on Yemen. I cannot overstate the importance of denying al-Qaeda safe havens in Yemen and countries like it, an issue on which I have been working for years. The threat from al-Qaeda in Yemen, as well as the broader region, is increasing, and our attention to this part of the world is long overdue.

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Mr. Chairman, this hearing is an opportunity for us to focus attention on the strategy and policies we need to deny al-Qaeda safe havens around the world, including in Yemen. It is also a chance for us to examine our policy in Yemen and better understand how we can develop a partnership that is both in our national security interest and helps Yemen to move toward becoming a more stable, secure nation for its people.

Any serious effort against al-Qaeda in Yemen will require strengthening the weak capacity of the government as well as its legitimacy in the eyes of its citizens. We need to be careful about providing assistance to a government that isn't always aligned with the needs of the Yemeni people, as last year's State Department report on human rights notes. Yemen is a fragile state whose government has limited control in many parts of the country. It faces a multitude of challenges including poverty, a young and growing population, resource scarcities, and corruption. It is also distracted from the counterterrorism effort by two other sources of domestic instability—the al-Houthi rebellion in the North and tensions with a southern region with which Sana'a was united less than 20 years ago. In other words, counterterrorism is hampered by weak governance and by internal conflicts that would not appear on the surface to threaten our interests.

Instability in Yemen is, of course, also closely linked to conflict in the Horn of Africa. Earlier this year, Somali pirates attacked a U.S. vessel, which briefly raised awareness of maritime insecurity fostered by a lack of effective governance and insufficient naval capacity on both sides of the Gulf of Aden. This problem continues, even when it is not on the front pages, and is both a symptom and a driver of overall instability in the region. Meanwhile, refugees from the conflict in Somalia, as well as from the broader region, are fleeing to Yemen. According to the Office of the United Nations High Commissioner for Human Rights, more than 70,000 Somalis and Ethiopians arrived on Yemen's shores in 2009—a dramatic increase from previous years. The human cost to this exodus, as well as the potentially destabilizing affects, demand our attention.

Congress and the executive branch need to work together to ensure that the weak states, chronic instability, vast ungoverned areas, and unresolved local tensions that have created safe havens in which terrorists can recruit and operate do not get short shrift in our counterterrorism efforts. We cannot continue to jump from one perceived "central front in the war on terror" to the next. Local conditions in places like Yemen—as well as Somalia, North Africa and elsewhere—will continue to enable al-Qaeda affiliates and sympathizers to recruit new followers. As a result, although we should aggressively pursue al-Qaeda leaders, and our efforts to track individual operatives are critical, we will not ultimately be successful if we treat counterterrorism merely as a manhunt with a finite number of al-Qaeda members.

The administration has a historic opportunity, and there are indications that lessons are being learned. Both Deputy National Security Advisor John Brennan and one of our distinguished panelists, Ambassador Daniel Benjamin, have noted in remarks the importance of political, economic, and social factors in terrorist recruitment. Such statements are encouraging.

To effectively fight the threat from al-Qaeda and its affiliates in Yemen and elsewhere, we also need to change the way our government is structured and how it operates.

In this regard, we need better intelligence. For example, we need to improve the intelligence that relates directly to al-Qaeda affiliates—where they find safe haven and why and the local conflicts and other conditions that create a fertile ground for terrorist recruitment. And we need to pay attention to all relevant information—including the information that the State Department and others in the Federal Government openly collect. Conditions around the world that allow al-Qaeda to operate are often apparent to our diplomats, and do not necessarily require clandestine collection. The information diplomats and others collect therefore should be fully integrated with the intelligence community.

That is why I have proposed—and the Senate has approved—a bipartisan commission to provide recommendations to the President and to the Congress on how to integrate and otherwise reform our existing national security institutions. Unless we reform how our Government collects, reports, and analyzes information from around the world, we will remain a step behind al-Qaeda's global network.

We also need better access to important countries and regions. When our diplomats aren't present, not only will we never truly understand what is going on, but we also won't be able to build relationships with the local population. In some cases, we can and should establish new embassy posts, such as in northern Nigeria. In other cases, such as Yemen, where security concerns present obstacles, we should develop policies that focus on helping to reestablish security, for the sake of the local populations as well as for our own interests.

In addition, as Yemen makes clear, we need strong, sustained policies aimed directly at resolving conflicts that allow al-Qaeda affiliates to operate and recruit. These policies must be sophisticated and informed. We have suffered from a tendency to view the world in terms of extremists versus moderates, good guys versus bad guys. These are blinders that prevent us from understanding, on their own terms, complex conflicts such as the ones in Yemen. This approach has led us to prioritize tactical counterterrorism over long-term strategies. And it has contributed to the misperception that regional conflicts, which are often the breeding grounds for al-Qaeda affiliates, are obscure and unimportant and can be relegated to small State Department teams with few resources and limited influence outside the Department. This must change.

Mr. Chairman, this hearing can and must enable us to make needed headway on these important issues.

Senator FEINGOLD. Thank you, Mr. Chairman.

And as to some questions—I know this came up in the discussion with Chairman Kerry—but, Ambassador Benjamin, there's a risk that increased United States counterterrorism assistance to the Saleh government could be used as a rallying point for al-Qaeda in the Arabian Peninsula and affiliated groups, particularly if such assistance alienates the local population, leads to increased civilian casualties, and, of course, fails to take into account local conditions that enable militants to recruit followers and plan attacks. And this includes the possibility that such assistance would leak into Yemeni Government operations, with respect to the internal conflicts in the north and the south, which adds to the instability in the country that enables al-Qaeda to operate there. So, your assessment, sir, of this risk and how we can minimize it.

Ambassador BENJAMIN. Senator, one of the points that I have been at pains to make in virtually every public set of remarks since being sworn in was that the Obama administration has made the issue of radicalization a centerpiece of its concern, and we are eager to ensure that whatever policies we pursue do not result in 1 terrorist being taken off the street while 10 more are galvanized to take action. So, we're very much mindful of these concerns. And, as Secretary Feltman pointed out before, our assistance to Yemen is predicated on the belief that we need to have a two-pronged approach and that we need to make it clear that we are working

to advance the fortunes of individual Yemenis, that that is to say their quality of life, and their interest in sustainable and viable legitimate institutions, as well as dealing with security issues—security concerns that we share.

Specifically, on the issue of the assistance, the security assistance that we're providing, I think it's important to note that we have very rigorous agreements with the Yemeni Government on the end use of any materiel that we give them. Those agreements carry a number of clauses that give us the right to monitor the use of this materiel at every stage of the way, and through this method we're trying to ensure that we're focusing on the threat that we believe is preeminent, al-Qaeda in the Arabian Peninsula.

I would note that we've also been very clear to the government in Sana'a about our belief that the Houthi conflict can—needs to be solved through negotiation, that there's no military solution to that, and, you know, that's a message that we are reiterating.

Senator FEINGOLD. And, Ambassador Feltman and Ambassador Benjamin, what is being done to improve the situations of the IDPs and the refugees in Yemen, including the more than 70,000 African refugees who arrived last year? You obviously know, a Washington Post article from January 12 notes that, "Officials who have long welcomed Somali refugees now worry that the new arrivals could become the next generation of al-Qaeda fighters." I've been concerned about the interrelationship of these two countries for a long time, and the State Department also is concerned by this potential. What steps are being taken to address the problem? How are you working with your interagency colleagues and the Yemeni Government to mitigate any threats that might arise from this?

Ambassador FELTMAN. Senator, thank you. You raise an issue that we talk—that we focus on quite—you know, quite frequently, quite intensely, because it's an extremely important issue.

You know, the State Department's Bureau of Population, Refugees, and Migration has an active program in providing support to the population at risk, the refugees at risk from Somalia, be they in Yemen or be they in other neighboring countries. So, we're providing some assistance through PRM. It's been—I think it was \$150 million total last year. My colleagues at PRM would have more details on this program. And, of course, we also have a refugee resettlement program, where, since 2000, we've brought over 600 Somali refugees from Somalia who are—Somalian refugees who are based in Yemen—to the United States. All these people go through very intense vetting and interview process before they're permitted to enter the United States on refugee processing programs. We're also in discussions with the Government of Yemen about how we make sure that there's not a spillover security effect from the Somali refugees. All of us understand why Somalis have left—have felt the need to leave Somalia.

I should also note that the Foreign Minister of Yemen, Abu Bakr al-Qirbi is in town this week, in Washington. We will be discussing this issue and others with him over the course of the week.

Senator FEINGOLD. Ambassador Benjamin, your thoughts.

Ambassador BENJAMIN. Senator, I would just add to that that we are acutely aware of the dangers of radicalization within refugee camps. And one need only look at some of the things that have

happened in Yemen to have a clear idea of the dangers that this poses, or to some of the camps that were in Pakistan after the fight of the 1980s and the 1990s. So that is something we're looking at carefully.

That said, I think that we need to recognize that many of the Somalis, as Secretary Feltman alluded to, the Somalis who have left their country, are people who are fleeing the chaos in that country and are people, in some ways, who may be at less of a risk for radicalization than those who have stayed in Somalia and are in al-Shabaab-controlled territory, for example. It is an acute problem, and it's one that we are working to grapple with.

Senator FEINGOLD. I just hope you continue to do that and think about the potential for enemy coordination in places like Somalia, Djibouti, Yemen. The proximity of these places is, I think, stunning to most people when they realize how close they actually are to each other, even though people think of one as being in the Middle East and the other one is in Africa. I understand there's about a 20-mile/30-mile distance in water, at one point, between these places, so this is something that has to be taken very seriously.

Thank you.

The CHAIRMAN. Thank you, Senator Feingold.

I'd just remind members of the committee that, at 2:30 in Senate 116, we have a coffee with the Foreign Minister, a working coffee. So, we'll have a chance to pursue some of these issues with him.

Senator Corker.

Senator CORKER. Thank you, Mr. Chairman, and thank you for having this timely hearing. And I appreciate both the comments that you've made and the questions you've asked, and also our ranking member, and certainly appreciate the witnesses coming.

You know, as we look at the issue of terrorism, and what spawns it, and it seems like, in every case, it leads us to the development of a country, and the fact that there's poverty and not opportunity. So, just as in Afghanistan and—you know, we end up focusing on the development aspects of the country, which—and I don't mean term to be pejorative—but we end up using the term "nation-building." And at the end of the day, we're talking about multitudes of years of commitments and billions of dollars that end up being necessary to cause these nations to have some of the support that we feel they need to be successful. And if you look at the swath all the way across Africa on this same parallel, where these same conditions exist—I mean, this is just the beginning point, it goes all the way across to the West.

I wonder, in the State Department, if you ever sit back and talk about the fact that it's not sustainable for us to continue—and I'm not being critical, by the way; I think the things that have been said—I think what the chairman said, what the ranking member have said—your testimony, I think, is dead on. I mean, I think we need to work on the development and—economic development, and judicial and governance, and all those kind of things that cause for a country to be successful. But, I'd love to have just a little insight as to some of the deeper conversations, not the conversations about going from \$17 to \$17.2 million to \$40 million to \$60-something million—but I wonder, at a higher level, what the discussions are as it relates to the sustainability. How much effort is being put in

place as it relates to actually getting other countries in the area participating?

And also, just on the military side, I know that Mr. Benjamin referred to the airstrike that took place—I'm sure we were involved in that. That, again, creates additional issues for us, as have been alluded to. And even on the military side, if there are additional efforts that may be undertaken by those in the area—again, with our support in some form or fashion—but, I'd love to hear an expansive discussion about that, if I could.

Ambassador FELTMAN. Senator, thank you. These are issues we talk about a lot, at a variety of levels. We aren't using the word "nation-building" with Yemen. We're talking about how we work in partnership with the Yemeni people, with the Yemeni Government, with the Yemeni local authorities, with the Yemeni civil society. So, we're looking at it in a little bit different way.

What we're trying to do in that second prong—the first prong of the strategy being, provide security assistance, help address the immediate threat of al-Qaeda, the immediate security threat. But, when we talk the second prong of our strategy, what we're trying to do is sort of change the base conditions that make Yemen such a fertile ground for extremism, a fertile ground for al-Qaeda, a fertile ground for instability.

And what that requires, in our view, is almost changing the relationship, to the best that we're able to do, between the Yemeni citizens and the Yemeni Government; to help the Yemeni Government be more responsive to, and accountable to, the Yemeni people; to help work with local authorities so that local authorities are able to be responsive to local concerns; to help civil society organizations—there are 7,000 civil society organizations registered in Yemen, and it's a huge number—and to help those civil society organizations be able to engage with their local authorities. So, we're looking at, not nation-building, but partnership in a way that changes the relationships inside Yemen.

We're also looking at working with Yemen's neighbors. Ambassador Benjamin mentioned the UAE. Of course, the chairman mentioned Saudi Arabia. These countries have more resources, they have keen interest in Yemen, they want to coordinate with us. There's a broader international community that recognizes the challenges that Yemen faces. This is not a U.S. fight, alone. But, it is in the U.S. interest that we provide leadership in this, in addressing these challenges.

Ambassador BENJAMIN. If I could add to that, Senator.

I think Secretary Feltman has it exactly right. And these are, of course, some of the grand issues of policy, about these kinds of investments. I would say two things.

First of all, we are not talking about figures on the level that we have discussed—regarding Iraq and Afghanistan, for example. That's the first thing. Those will not be required, I think, certainly from the United States, although we do hope that the international community will be more forthcoming.

But, I think the most important point here is that, when we do the math and we consider what the investment needs to be in those countries that fail, in those countries that really do become terrorist safe havens, when we do consider all of the follow-on costs

from a terrorist attack such as 9/11, then this seems like a very reasonable investment. And this really is a case in which prevention will, I think, repay itself handsomely over the long term.

You know, there are many different economic institutes that have produced many different assessments for what 9/11 cost us in the end. I'm quite sure that if we can prevent any catastrophic attacks from being launched out of Yemen—although we will have a hard time proving the negative—we will be quite pleased that we spent that money there.

You know, I look at—I appreciate the comments that were made on the front end about Haiti, and I support fully the efforts that we have under way, and it's remarkable what Americans from every State are doing. As we've been here this morning, I've been texting to find the location of a physician that I was talking with last night there, and—and yet, as we look at what, you know, the—America, rightly so, is taking the lead; we have a huge investment that will be forthcoming, money we don't have, that—we're borrowing 50 percent of it from foreign investors—that, just due to mismanagement here, for decades, I might add, not just during this—the last year—and I look at China, which has participated—I hate to say it—a very paltry level, no money, just goods and services. They're loaning us a big portion of the money that we're spending down there, rightfully so. And again, I support it, and I've sent letters to the State Department to do that.

But, I will say, I think that we're—we take the lead, and I understand that, but I will—we have got to change the dynamic as it relates to how we deal with these countries. This is a huge issue, that, as the chairman mentioned and I agree, is going to take a long and very sustained effort. And I think if you look at the numbers and the effort that it takes, it's going to take partnerships, that now don't exist, to cause that to happen. And I think those partnerships in many ways, if they can be constructed properly, end up lessening the focus on our country in many ways, as it relates just to spawning this whole issue that we're concerned about.

Again, none of this is critical. I know you guys are doing the very best that you can.

But, Mr. Chairman, I agree with you and hope that somehow or another we will look at this in a much bigger way than a country at a time, as we are—seem to be doing now. But, I thank you very much for this hearing, and certainly for the testimony.

The CHAIRMAN. Thank you, Senator Corker.

Senator Casey.

Senator CASEY. Mr. Chairman, thank you very much. And thanks for calling this hearing at this time.

Mr. Ambassador, we're grateful for your presence here, and your testimony and your public service, as well as Assistant Secretary Feltman.

I want to commend the work of our Ambassador, Ambassador Seche, who came to see me and others in the days and weeks leading up to the incident that we all learned about on Christmas Day or thereafter.

I wanted to talk, first, about convicts—both convicts in America going to places like Yemen, as well as those who happen to be in prison there. Back in 2006, the mastermind of the 2000 bombing

of the *Cole* escaped from a Yemeni prison. In at least two publications today, there were reports emanating from a congressional report about 36 Americans who had served time in prison here, going overseas, and quote “dropping off the radar screen” who may have—and I emphasize the words “may have”—connected to al-Qaeda in the Arabian Peninsula.

What can you tell us about that report? And, in particular, what can you tell us about how—not only in this instance, but generally—how we track individuals like that, and especially after the assertion is that they’ve “dropped off the radar screen”?

Ambassador BENJAMIN. Thank you for the question, Senator.

We’re aware of the report that the committee posted this morning, and we are now working our way through it. I understand that that information came from law enforcement sources, so we will be connecting with them to elaborate on our own understanding of the situation.

We are certainly worried about prison radicalization. Of course, the State Department leaves it to the Bureau of Prisons and others in the U.S. Government to worry about that here. But, it is something that we’re concerned about abroad; and through a number of different programs, we’re addressing that issue around the world. It is a very serious challenge, and an unusually large number of radicalized people, perhaps not surprisingly, come out of prison populations.

As you can imagine, under the current circumstances, it is a matter of great concern whenever we find out about American citizens who have become radicalized. Obviously, because if they have passports, if they don’t have derogatory records that would prevent them from getting on planes here, then we have a security vulnerability, and we’re taking that very seriously.

I think that, in terms of the actual concrete methods we use to track them, to the extent possible, it’s probably a best conversation for a different setting, because it goes into intelligence sources and methods. But it is, nonetheless, an issue we take very, very seriously.

Senator CASEY. And do you have any reason to dispute or to question or to contradict this report?

Ambassador BENJAMIN. I certainly do not have any reason to contradict it. And the broader issue of our concern about Americans who are either on the route to radicalization, or have already been radicalized, and then go to Yemen, is obviously a major concern for us. We know that there are a number of institutions in Yemen that have been effective incubators of radicalization, and so we are aware of this trail. Of course, they become intelligence matters of concern, and we have to watch very carefully what happens. Obviously, they’re American citizens with all the rights that accrue to that status, so we can’t stop people from going across the ocean.

Senator CASEY. What can you also tell me—and I guess, Mr. Feltman, I’d direct this question to you—in terms of what the administration and the Congress can do to provide more effective assistance to Yemen? I realize this isn’t just a question of tracking terrorists and intelligence about terrorists or potential terrorists. Part of the challenge here is working with the Yemeni Government, not only on that priority, but as well on development and

the—helping as best we can on the internal problems that country faces. But, what’s—if you had to outline three or four steps—some of this, I know, may be reiterating your testimony, or parts of it—what should the Congress be most focused on, in terms of the aid or foreign assistance we provide? What’s at the top of the list?

Ambassador FELTMAN. Senator, thanks for the question. I mean, you’re absolutely right, the development indicators in Yemen are poor, and they’re deteriorating. And the chairman’s opening statements outlined the challenges facing Yemen, in terms of demographics, in terms of water, in terms of declining oil revenues.

And, given all of this, we have worked together as a government to develop a new development strategy for Yemen. This is a USAID development strategy that our country team in Yemen and those of us back in Washington participated in. And thank you for your kind words about Ambassador Seche; we believe he’s doing a superb job in leading a whole-of-government approach toward this.

I mentioned—touched on this earlier, but I appreciate the opportunity to be able to talk about it, in a little bit more detail. Going forward, we believe our strategy needs to have two main pillars, two main initiatives. One we’re calling Community and Livelihoods Program, the other National Governments Program.

The Community and Livelihoods Program gets at this issue of local powers, local authorities, local responsiveness. It would have—we’re going to work on health and education at the local levels, because there’s great demand and great needs of that. But, we’re also going to work on economic opportunities, most likely in the agriculture and small business sector, as well as—and this is the part that I think is exciting and politically important—we’re going to work with local governments—help them increase their capacity to be responsive to their constituents, help them be accountable to their constituents, help them be able to deliver services. And we’re going to work with local civil society institutions, local communities, so that they know how to engage with their local authorities.

There are 21 governments in Yemen. There’s great variety of development, across those governments—culture, geography, et cetera. So, this program has to be flexible to take into account what the local conditions are.

The second initiative is this National Governments Program, which will be working at the national level to help on capacity-building, to help on some of the same issues, but more at the national level.

So, we’re changing our focus in response to a strategic review on how to meet the challenges Yemen faces.

Senator CASEY. Thank you very much.

The CHAIRMAN. Senator Kaufman.

Senator KAUFMAN. Mr. Chairman, I want to thank you for holding this hearing. I think the way you’ve been able to hold hearings so quickly on major issues as they come forward has been very helpful, and I think this is another example of that.

What I’d like to do, I’d like to follow up on Senator Corker and Senator Casey’s discussions, and kind of—the military’s really important; security systems, intelligence are really important; devel-

opment's really important. But, I'd like to talk more about what you mentioned, Ambassador Feltman, and that's the civil society.

As you pointed out, Yemen has over 7,000 NGOs. And it has one of the most vibrant civil societies in the gulf region. And you mentioned we're engaging them. Can you kind of get into some detail on how—what we're doing to engage civil society in Yemen and encourage political reform and promotion of good governance?

Ambassador FELTMAN. Senator, we are involved in a number of ways, because we agree with you 100 percent. This is a real target of opportunity for us. The vibrant civil society in Yemen is something that's exciting, it's something—they can be partners with us in a variety of ways.

There's a lack of funding for civil society in Yemen. So, one of the things that we're doing is providing funding. The Middle East partnership Initiative, MEPI, has its most active local grant program in Yemen. They have implemented more local grants in Yemen than in anyplace else in the entire MEPI field, which is the—you know, the Near East region. And these are grants to local organizations to carry out locally proposed, locally designed activities. And there's a whole bunch of them. I'll just mention a couple.

There's a local organization, called the Democracy School, that got a grant from MEPI. What it's using that grant for is to teach conflict resolutions to sons of tribal sheikhs from 10 different governments, to teach them peaceful ways of resolving conflicts, to sons of tribal sheikhs, who then go back and do, sort of, train-the-training-type training for their friends. That's—you know, that's one example of a MEPI grant to civil society.

Another grant is, there's a women's organization that is concerned about the rising harassment of women on the streets of Sana'a. And this organization is doing public awareness, as well as research on the problem, to try to address—you know, address an issue that's affecting more and more women on the streets of Sana'a.

We have worked to provide a grant to local media, because it's very, very important to promote local—you know, to promote local media. Our ongoing public diplomacy exchange programs, that are available, you know, worldwide, bring people from Yemen in civil society to the United States for training and for observing. There's a whole lot of activities that we're doing at the grassroots.

And these organizations, and these people, can go back and work in parts of Yemen where we can't, for security reasons. So, we want to be able to expand this program, and we very much appreciate the support that we have gotten from this committee, and from Congress more generally, for our initiatives with civil society in Yemen.

Senator KAUFMAN. And you're doing this at the local level primarily. What—is the government helping? Or—I don't know.

Ambassador FELTMAN. You know, we're working with the government, as well. For example, we have a grant to IREX to work with Parliament on helping to write media laws, and put in place the legal framework that allows for more independent and open media. So, we're working with the government, as well, at a variety of levels. But, what's exciting, I think, for us, is the——

Senator KAUFMAN. Yes.

Ambassador FELTMAN [continuing]. Is the work with the local, grassroots civil society organizations.

Senator KAUFMAN. Great. And, you know, you raise the media, which is kind of a bit of a sore point. I mean, 2009, 2010, Freedom House downgraded Yemen from “partly free” to “not free,” in terms of the press. And you haven’t any—I mean, is the government at all forthcoming, in terms of moving more toward a free press, or some form of a free press?

Ambassador FELTMAN. This is not an easy issue in Yemen, as in many of the—

Senator KAUFMAN. Oh, I’m sure. I mean, I—

Ambassador FELTMAN [continuing]. As in many of the countries in which—

Senator KAUFMAN. Exactly.

Ambassador FELTMAN [continuing]. Which fall under—in my Bureau. So, we’re trying to address this in a variety of ways. The exchange programs is for journalists. We have our public affairs section in Sana’a has a significant grant, \$100,000, to support independent radio. I mentioned the IREX grant to try to put in place the right legal framework for a free media.

There’s continual diplomatic engagement, including this week, with Foreign Minister Qirbi, on this issue. You know, Yemen’s going to have elections in April—parliamentary elections are scheduled for April 2011—going toward that, we’re going to be talking about, What’s the foundations of a credible election? Part of the foundations are a credible, open media. So, this is an ongoing issue.

Senator KAUFMAN. Is it? But, it’s not just part of it, it’s kind of key. I mean, one of the—

Ambassador FELTMAN. Yes.

Senator KAUFMAN [continuing]. One of the mistakes we made around the world, I think it’s fair, and I’m—this is—is that we equated elections to democracy. And in many cases, if you don’t have a free press, we know what the result is; we don’t have the institution, we don’t have the rule of law, we know what the result is; and it’s not democracy by anything that—what we’ve defined. So, the efforts—especially when you’re moving into an election, what happens in most places—and not just in your area of the world, everywhere in the world—when you move into a country for free elections, the first thing—the first casualty is a free press—

Ambassador FELTMAN. Right.

Senator KAUFMAN [continuing]. Because they’re more and more controlled. So, is it something you can do over the next year, as we move into this thing, to get—with government-to-government, not—you know, I—and I think what you’re doing’s great—training journalists, all the rest of that. But, if the government is committed not to have a free press, we’ve seen that—how many—everywhere we go.

Ambassador FELTMAN. Couldn’t agree with you more. It’s a challenge.

And the other thing I should mention is that Radio Sawa and Al-Hurra are available in Yemen. VOA has—is also available in parts of Yemen. It’s weaker, except along the coast. But, we’re also providing ourselves some alternative sources of information.

Senator KAUFMAN. Good. What's the public opinion about the United States in Yemen right now?

Ambassador FELTMAN. Not great. You know, let's be frank—

Senator KAUFMAN. Yes.

Ambassador FELTMAN [continuing]. It's not great. But, you know, we're not trying to shy away from what we're doing in Yemen.

Senator KAUFMAN. Sure.

Ambassador FELTMAN. We're trying to help the government deliver services to the Yemeni people. This is—

Senator KAUFMAN. Right.

Ambassador FELTMAN [continuing]. Something we're proud of. And we're not going to shy away from drawing attention to what we're doing on this area.

Senator KAUFMAN. But, I think it's really important—I think, as I—as Senator Corker raised, you know, when you look at all the places in the world we have problems, try to think how we're going to deal with them. And the military and—military and development, by itself, is not going to do it. If we don't start changing people's attitudes about freedom of the press, about the rule of law, about a civil society, we're in for a long, long time before we get this straightened out.

And the final thing is—

Ambassador FELTMAN. Right.

Senator KAUFMAN [continuing]. And neither one of you have to do it now—anything that you think we should be doing more, in the area of public diplomacy, civil society, rule of law, just send me a note. I would very much like to get it.

And I want to thank you both for your service and for your testimony.

Ambassador FELTMAN. Thank you, Senator.

Senator KAUFMAN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Kaufman.

Senator Gillibrand.

**STATEMENT OF HON. KIRSTEN E. GILLIBRAND,
U.S. SENATOR FROM NEW YORK**

Senator GILLIBRAND. Thank you, Mr. Chairman, for convening this critical hearing on the first full day the Senate is back in session.

Obviously, the attempted bombing of the Detroit-bound airliner on December 25 was a chilling reminder of the looming threats facing our country. As Secretary Clinton has said, so long as hundreds of millions of young people see no hope for improving their lives, we cannot put a stop to terrorism or defeat ideologies of violence and extremism. What we need to do, obviously, is combine development and diplomatic and military strategies together, and carry them out in smarter ways, relying on partnerships with benefiting countries and their indigenous civil society and development groups.

The conflict, corruption, and poverty in Yemen have made it a breeding ground for al-Qaeda. It's critical that we confront and prevent future Yemen-based terror attempts. But, we cannot just stop there. I want to be sure that we're evaluating all the areas and

properly allocating resources across the globe today to respond to tomorrow's threats.

I also want to note that Senator Kerry issued an investigative report yesterday that contains very troubling findings about Americans going to Yemen and Somalia, where they have—where they are, in some cases, known to be joining al-Qaeda and affiliated organizations. Some of these Americans were radicalized in U.S. prisons, others in their communities, and yet others once they went abroad.

The findings of this report and other information has come to light in recent months demonstrates how enormously complicated the terrorist threat is. We must not only be vigilant and innovative and smart in our approaches to address radicalization at home and abroad. Polls show that al-Qaeda is losing hearts and minds in Pakistan and elsewhere, so we must work, as much as possible, with the partners as other countries and involved communities to weaken the factors that promote radicalization.

I'll submit the rest of my testimony for the record—the rest of my opening statement for the record, and I want to ask just a few questions, if you can comment.

[The prepared statement of Senator Gillibrand follows:]

PREPARED STATEMENT OF HON. KIRSTEN E. GILLIBRAND,
U.S. SENATOR FROM NEW YORK

I appreciate Chairman Kerry convening this critical hearing on the first full day that the Senate begins its new session. The attempted bombing of a Detroit-bound airliner on December 25 was a chilling reminder of the looming threats facing our country. I want to welcome our administration and outside experts who have come to speak to us about a key challenge facing the President, the Congress and the Nation: how to address the growth of extremists in Yemen and the conditions that have fostered a direct threat to the United States.

President Obama showed strong leadership in response to the Christmas terror attempt planned in Yemen, by quickly undertaking a comprehensive review and taking full responsibility for our Nation's security. He and his administration made changes to strengthen passenger screening, reform the watch-lists, and improve intelligence information gathering. A critical extensive review is urgently needed to continue to make the reforms necessary to keep Americans safe.

As Secretary Clinton has said, so long as hundreds of millions of young people see no hope for improving their lives, we cannot put a stop to terrorism or defeat ideologies of violence and extremism. What we need to do is combine development with diplomatic and military strategies, and carry them out in smarter ways, relying on partnerships with benefiting countries and their indigenous civil society and development groups.

Islamic radicalism in Yemen is not new. In 2000, the USS *Cole* was attacked in a Yemeni port. In 2008, the U.S. Embassy in Yemen was attacked twice. Yet, the Yemeni Government did not extradite the mastermind responsible for the attack on the USS *Cole* to the United States, Jamal al Badawi, despite requests by U.S. law enforcement. Rather, he was released from local jail by Yemeni authorities. Despite these signals of growing extremism, for years we turned our attention away from Yemen.

President Obama's team, led by Deputy National Security Adviser John Brennan, refocused the U.S. intelligence and other resources on Yemen. Brennan himself visited Yemen several times in 2009, and there were numerous other intelligence visits. The President's foreign policy team has been reviewing the situation in Yemen.

In recent hearings and briefings about Afghanistan, I have asked what prevents al-Qaeda from moving its base to Yemen or Somalia. While I heard good answers assessing the situation in Afghanistan, I did not hear a satisfactory answer regarding what we are doing about Yemen or future Yemens. We do not have a comprehensive civilian-military program yet.

I expect to hear from the administration such a plan—one that combines both civilian and military strategy, one that draws on the knowledge of our experts on

Yemen and on extremist groups, and one which ensures that we are working closely with local groups and regional leaders. At the end of this month, the United States will join the U.K., Saudi Arabia, the United Arab Emirates, and other nations in London to plan a multilateral effort with respect to Yemen. This is critical.

As President Obama has demonstrated, we must work on international threats through multilateral fronts. This strategy makes sense when it comes to a place like Yemen, where neighboring countries have a fuller understanding of the factors that lead to terrorism and where the local population will often more easily welcome their support than from U.S. or European-led efforts.

The conflict, corruption and poverty in Yemen have made it a breeding ground for al-Qaeda. It is critical that we confront and prevent future Yemen-based terror attempts. But we must not stop here. I want to be sure we are evaluating all areas and properly allocating resources across the globe today to respond to tomorrow's threats.

I also want to note that Senator Kerry issued an investigative report yesterday that contains very troubling findings about Americans going to Yemen and Somalia, where they are in some cases known to be and in other cases suspected to be joining al-Qaeda or affiliated organizations. Some of these Americans were radicalized in U.S. prisons, others in their communities, and yet others once they went abroad.

The findings of this report and other information that has come to light in recent months demonstrates how enormously complicated the terrorist threat is. We must be vigilant, innovative, and smart in addressing radicalization at home and abroad. Polls show that al-Qaeda is losing hearts and minds in Pakistan and elsewhere. We must work as much as possible with partners in other countries, and involve communities to weaken the factors that promote radicalization.

Senator GILLIBRAND. What mechanisms do you think the United States Government can put in place to ensure that our assistance moneys do not end up the hands in either a corrupt government and corrupt government officials or in organizations that are affiliated with extremist views based in Yemen?

And two, what do you think are the most critical priorities for civilian development assistance?

And last, how do you think we can structure the assistance programs to quickly increase stability without appearing to the Yemen public to be propping up a corrupt regime?

Ambassador FELTMAN. Senator, you raise a lot of very, very important issues that we grapple with in trying to design a appropriate strategy for Yemen. So, thank you for your questions.

First of all, I should be clear, the United States Government does not provide cash to the Government of Yemen. We provide assistance to civil society organizations, to government institutions, to some of the security organs, but we do not provide cash to the Government of Yemen. I think it's an important point to keep in mind.

All of our assistance to institutions in Yemen go through a rigorous vetting process. The—you know, if we are going to give a MEPI grant, for example, to a local organization, a grassroots organization, we have a very extensive review process of the organization, of the directors, officers of that organization, because we have the very, very same concern that you do. We want to help civil society, we want to help Yemen, we want to help the right side, the—you know, in Yemen. And there's also quarterly reports and followups.

So, we have a fairly—we have a rigorous system in place for vetting, not only on terrorism extremist concerns, but also on just, you know, good use of U.S. Government resources. These are gifts from the U.S. taxpayers, and we have a fiduciary responsibility to make sure that the money's going for the purposes intended.

Now, in terms of priorities, health and education are going to be important priorities going forward, both at the local level as well

as at the national level. Creating economic opportunities—and I mentioned earlier that the opportunities in creating jobs, growing the economy, are probably going to take place initially in the agricultural and small business area, and will probably move out from there.

But, part of this is about devolution of authorities, as well. We want to work with local authorities to build their capacity, to have them be responsive to the citizens, so that the citizens also have the ability to influence local decisionmaking. We think this is really important to address some of the political issues of Yemen. We talked earlier about the rebellion in the north, the unrest in the south, who has secessionist overtures, so part of how you address that is to move decisionmaking, to the extent that it's appropriate, to a more local level. This is not easy, this is not going to happen overnight. It requires a lot of discussions with the Government of Yemen. We have security issues in how we address this, but that's kind of how we're going.

Ambassador BENJAMIN. I would just add to that, on the security side, that we do have end-use agreements that involve constant monitoring of the use of the materiel that we supply the Yemenis with, and, you know, we are constantly assessing whether that equipment is being used for the purposes that it was delivered for. Obviously, these are concerns, but right now we feel like we're on the right track.

Senator GILLIBRAND. How do you directly counteract radicalization, whether it's through schools or training in Yemen? What is our—you know, I understand the development side, to address unemployment, to address a generation of hopelessness. But, how do you also address the focus of radicalization and training camps and education that is focused on creating terrorists for the next generation?

Ambassador BENJAMIN. Well, all of these different efforts are, I would say, intimately twined together, and if we don't provide hope for those—for that enormous demographic bulge, both of the 15-and-unders and also the 15-to-29s—

Senator GILLIBRAND. Right.

Ambassador BENJAMIN [continuing]. Then I think we're really in a very, very difficult situation.

We—you know, I think it—one of the things that has worked for us—I believe it was Senator Kerry, before, mentioned the declining—or perhaps you did—the declining popularity of al-Qaeda in Pakistan. You know, as the government turns its attention more effectively to al-Qaeda, it, too, is, I think, going to broadcast the message that al-Qaeda is a threat to Yemenis and to Yemen's long-term interests. And that will help, as well. It's—you know, it's noteworthy that a lot of the decline in the popularity of the militant groups in Pakistan occurred precisely because so many civilians had been caught up in the crossfire.

We hope that doesn't occur to Yemenis, but as this effort intensifies, I think that Yemenis are going to focus more concretely on how it is that these militant groups are endangering their family members who are in the security services, their tribes, which are also turning against them, and other ordinary individuals in civil society.

There's no question that we need to intensify our own strategic communications in Yemen and look at combating violent extremism more effectively. We have, in the AID basket and in MEPI, I think, a number of programs that are doing that, but I think that we need to do more.

Senator GILLIBRAND. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator.

We, I'm confident, can ask some additional questions, but I think we're going to have a vote, around noon, and I want to get the second panel in, obviously.

I'd like to just ask one question, and then we'll switch to the second panel, unless Senator Lugar has additional questions.

Our principal strategic interest, obviously, is al-Qaeda. But, the Yemeni Government has indicated that its principal strategic interest, that they think is a larger threat to their stability, is the Houthi rebellion and then the problems of the southern secessionism. Is that an accurate statement, of who sees which interest, how? And if it is, how do we align these interests? And how do you prevent some of the help we're giving them from going to those other interests rather than what we want it to go to?

Ambassador FELTMAN. Senator, we're watching this all the time, because we need—we do have—

The CHAIRMAN. Do you agree with that?

Ambassador FELTMAN. Yes, I agree with it. However, I would note that over the past month or 6 weeks there's been a much greater focus by the Government of Yemen on the threat posed by al-Qaeda, and this is an encouraging sign. There's a new determination that the government has put toward al-Qaeda. And, you know, as you yourself pointed out, in August the Saudi Deputy Minister of Interior was targeted by one of these al-Qaeda guys from Yemen, and so, the Saudi—so, Saudi Arabia, with its influence and leverage, is also raising this issue to the Yemenis in a constructive way.

But, without question, the Yemeni Government is also concerned about the Houthi rebellion and about the southern revolt. And we don't want this to be a distraction. It has been a distraction before, and it can easily become a distraction again. It's one reason why we've been calling for a cease-fire with the Houthis; a cease-fire for humanitarian reasons, as well as for political reasons. There have been five, sort of, "Houthi wars," they call them. Up until now—all of them have been stopped before by a political settlement, a political settlement that was never implemented.

We believe that there is no solely military solution to these two conflicts. You've got longstanding local grievances in the south that date from the unification from 1990. You've got grievances from the north that were never fully addressed after these political agreements. We deplore the violence used by these groups to try to achieve their objectives, but we believe there is no solely military solution. We'd like to see a cease-fire, and the Government of Yemen to sit down and work out the political grievances with these two groups.

The CHAIRMAN. Well, I appreciate that, and it's just worth exploring. I raise it—simply put it on the table. This is tough stuff, obviously.

Yes, Ambassador.

Ambassador BENJAMIN. Senator Kerry, if I could just add to that. It is true that, historically, the government has not ranked al-Qaeda as its primary concern, but I would say that the events of the last 6 weeks are quite remarkable, and I think that the deeper our engagement gets, the greater our opportunity to influence their threat perception will be. And that's why I think we really do need to stick at it—stick with it and keep with both the public discussion here, but also the private discussions with their leaders.

The CHAIRMAN. Well, I appreciate that, and I don't disagree. And I thank you for coming in today to answer these questions and help us begin to focus on this. I think it's very, very helpful. And we're extremely appreciative for the work that you're doing.

If I can—we will leave the record open for 1 week, and we'll try not to bombard you. We've got a lot—I know you've got a lot going on. But, if there are some important questions somebody wants to ask, we'd like to try to complete the record in that way.

Thanks so much for being here with us.

If I could ask for a seamless transition to the second panel, we'll try to proceed as rapidly as we can.

And as the second panel comes up, I'm going to ask you each—Senator Lugar, I didn't ask you again, I apologize—I'm going to ask you each to really summarize. I hope you're hearing what I'm saying. We need real summaries, of hopefully less than 5 minutes each. That will give us some time to have a sort of comparison of the views and then a little bit of time to dig into them.

So, I would ask—Ambassador Bodine, if you would lead off, and then Dr. Kagan and Dr. Nakhleh and Mr. Johnsen.

Can you push your mike on so that—

Ambassador BODINE. I was on. OK, now I'm on.

STATEMENT OF HON. BARBARA BODINE, DIPLOMAT IN RESIDENCE, LECTURER OF PUBLIC AND INTERNATIONAL AFFAIRS, PRINCETON UNIVERSITY, PRINCETON, NJ

Ambassador BODINE. First of all, I'd like to thank Senator Kerry and Senator Lugar and the committee for holding this hearing, and for the opportunity to speak.

I will speak as briefly as I can on a country as complicated as Yemen. Many of the major points have already been touched upon, and I'm not going to review them here.

A couple of things that I would like to point out very quickly is that Yemen, in addition to all the other challenges, has been a country in construction rather than destruction over the last 20 years. It has probably tripled in size since its unification in 1990, and has been grappling with the problems of political and social integration since then.

The unification was more than just stapling together an antimonarchical north and a lapsed Marxist state in the south, but also a very traditional eastern area. There are three political cul-

tures to weave together without the resources any state would normally need to do this.

Our history with Yemen has been an episodic one. The United States has never given Yemen quite the attention that it deserves. When we have engaged, we have engaged briefly and then walked away. I would sincerely hope that we have learned our lesson and not do that again.

We have never sufficiently engaged on the economic development of Yemen. We cannot create more water; that is finite and diminishing. We cannot create more oil; that is finite and diminishing. And the population explosion hasn't even fully hit yet. With a population, half of whom are under 15, there is a baby boom of sonic proportions in the making.

I would also like to briefly discuss how Yemen is different from our other templates. You hear a lot of this in the public discussion, and I think it's very dangerous.

Yemen does not have the sectarian divides that we saw in Iraq, and we should be careful not to see the problems, especially in the north, through that prism. It does not have the linguistic and ethnic divides that we have seen in Afghanistan, and it has, very blessedly, been able to avoid both the clan violence and the warlordism of Afghanistan. Yemen is a fragile state. It is not a failed state. We do have to be very careful that we don't take steps to push it over the edge.

It is also, despite its problems, politically more developed than any of these template states. In the course of 50 years it has gone from probably one of the most anachronistic theocracies to something that is working on becoming a democratic state. It needs to be recognized and supported.

In terms of how Yemen is governed, when you have a large, sprawling, sparsely populated state such as this, it operates under what could be called "primordial federalism." It has always been a decentralized state. And I think, to a certain extent, this is what the Yemeni people want. There is a certain libertarianism to the Yemeni culture and character. We need to work within this balance between central and local authority through support for local administration the Yemen Government formally adopted almost 10 years ago but also work with, create and strengthen an effective central government able to provide basic services and work in partnership with local administration. To tilt too far one way or the other risks unbalancing this relationship in ways catastrophic to the country. How do we help the government, with its flaws and with its problems, extend its legitimacy to its borders, and not just work on extending its authority?

One last point, then I will wrap up, because I know we don't have time, and a lot of questions, is that I would be very careful about outsourcing the solutions to Yemen to its neighbors. We do have to be careful about an overly heavy American hand, and certainly American boots on the ground would be counterproductive, but outsourcing this to the Saudis, I think, would be equally counterproductive. There is a very long and difficult history between Yemen and Saudi Arabia; simply because they are neighbors, they are not necessarily friends.

We need to take the lead in the organization and structure the range of international assistance provided, but be very careful about deferring to, abdicated that role to Saudi Arabia. Financial involvement and financial assistance are absolutely to be applauded, but a greater Saudi involvement in the security issues and in the structure of Yemen will actually reverberate against us.

Thank you.

[The prepared statement of Ambassador Bodine follows:]

PREPARED STATEMENT OF AMBASSADOR (RET.) BARBARA K. BODINE, LECTURER AND DIPLOMAT IN RESIDENCE, WOODROW WILSON SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS, PRINCETON UNIVERSITY, PRINCETON, NJ

To borrow from a fellow Missourian, reports of Yemen's demise are exaggerated. Depending on how we as well as the Yemeni Government and the Yemenis handle this next year, it could become a self-fulfilling prophecy.

Yemen is not a failed state. It is fragile and faces challenges—economic, demographic, political and security—that would sunder others. There are those who would write it off as a lost cause, dismiss it as a sink-hole of assistance, outsource the problems and the solutions to the neighbors or turn it into a Third Front when we have not yet completed nor been unquestioningly successful in the first two.

- President Obama is correct that we should continue to partner with Yemen to deny al-Qaeda sanctuary.
- The Yemeni Government requested assistance, training, and equipment support in this effort. We responded affirmatively. This is necessary, but insufficient.
- The administration has doubled economic assistance, but the levels are inadequate in and of themselves and in comparison to security assistance.
- This must be more than an American effort, but international donor conferences are rarely constructive, strategic, or concrete.
- The fundamental challenges facing Yemen are resources and capacity not will.
- What is needed, therefore, is a sustained, comprehensive strategy to:
 - Avoid the temptation to apply false analogies from other conflicts:
 - ◆ Yemen is not Iraq, Afghanistan, or Somalia; templates do not work,
 - ◆ American boots on the ground will be counterproductive.
 - Apply the lessons of Iraq and Afghanistan wisely:
 - ◆ Efforts at security without legitimacy will not bring stability,
 - ◆ Civilian-led and civilian-focused diplomacy and development are required upfront, early, and long term,
 - ◆ Build state capacity, e.g., civilian capacity; professionalized civil service:
 - Work through existing structures, not seek to create new ones,
 - Do not empower the military/police at the expense of the civilian.
 - Support democratic governance, including local administration, civil society, the media and public integrity programs:
 - ◆ Work with all parties including opposition groups.
 - Support sustained investment in education at all levels:
 - ◆ People are Yemen's major natural resource. Make that an asset.
 - Support reconciliation solutions to northern and southern conflicts:
 - ◆ This means neither appeasement nor capitulation,
 - ◆ Support regionally based negotiation efforts,
 - ◆ Support programs and capacity to address core grievances.

A REVIEW OF THE BASICS

Many of the basic facts are known, and much discussed in the past few weeks.

- It is large, perhaps the size of France or Texas.
- It is rugged and forbidding—mountainous along the coasts; desert in the interior.
- It is populous (20 to 25 million), perhaps exceeding the population of the rest of the peninsula combined . . . and that population is growing at a staggering rate.
- It is bereft of sufficient natural resources to support its own population or provide either government revenue or meaningful exports. It lacks adequate arable land, surface water or oil.

- It is beset by three serious, unrelated security challenges—in the north with the Houthi rebellion, in the south with secession sentiments, and the east with al-Qaeda in the Arabian Peninsula (AQAP).
- And, finally, as both a reflection and a consequence of many of these factors, the central government works within a primordialistically decentralized political structure, limited services and corrosive reports of corruption.

Sounds like a failed state, but it isn't.

- Yemen lacks the sectarian divides that exploded in Iraq. They are neither Sunni nor Shia and most certainly not Wahhabi. It would be a mistake to view the violence in the north, the al-Houthi rebellion, through a sectarian prism or assume and respond as if it were a Saudi-Iranian proxy war. The potential exists but that is neither the proximate cause nor the inevitable outcome.
- Yemen lacks the ethnic/linguistic cleavages of Afghanistan. Despite regional distinctions and distinct political histories, expanded upon below, there is a strong sense of Yemeni identity and tradition of inclusiveness. Contrary to the new conventional wisdom, the writ of the state extends beyond the capital.
- Yemen lacks the tradition of clan violence found in Somalia or of warlords in Afghanistan. Yemen is often described as a tribal society, but it would be a mistake to understand these tribes as vertical rather than horizontal structures and to vest in tribal leaders too much authority. There is far more fluidity to the society than the label “tribal” applies and far greater traditional but effective participation and accountability.
- Yemen is politically more developed than any of the three template states. Congress, the administration and major democracy-support organizations recognize Yemen as an emerging democracy with 20 years experience in free, fair, and contested elections, including the last Presidential election, nonsectarian, nationally based multiparties, open press, and civil society. It is fragile and flawed but real.

POLITICAL HISTORY AND CURRENT EVENTS

When I worked on Iraq I was informed by one senior official, after an attempt to inject a little Iraqi history in the discussions, that “we were smarter than history.” We're not, and policy made absent an understanding of history is fatally flawed. More so in a complex and ancient society such as Yemen.

In the space of less than 50 years Yemen moved from anachronistic political systems to what most objective observers concede is an indigenous, democratic system. To say that the political integration is not yet complete, that the infrastructure of governance is insufficient, is an understatement few Yemenis would argue with. That is not the same as failure.

Since the 1990 unification, only 20 years ago, the size of Yemen has more than tripled. The unification of north and south was precipitated by the collapse of the South's primary patron, the Soviet Union, but unification had been an article of faith since at least the Republican Revolution in the North in the 1960s and the end of the British colonial status in the South in 1967.

As a start, the former North Yemen (Yemen Arab Republic) and South Yemen (People's Democratic Republic of Yemen) were essentially east and west of each other. A significant portion of North Yemeni senior officials were from the South and a significant portion of South Yemeni officials were from the North. While the divide was roughly where the mountains hit the coastal plain, the divide was not along an easy Zaydi (not Shia) vs. Shafi (not Sunni) sectarian line.

The unification was also more complex than the stapling together of an antimonarchical republic and a lapsed Marxist-Leninist state. It was the unification of at least three rather than two distinct political cultures and historical memories.

- North Yemen: The highlands were a hereditary Zaydi theocracy closed to the outside world until the 1962 Republican Revolution. Saudi Arabia backed the monarchists; Nasser's Egypt the Republicans. The Revolution was the defining moment in modern Yemeni history. A vast majority of Yemenis live in the highlands on subsistence agriculture in small, scattered villages.
- Aden Port: A British Crown Colony from 1839 until 1967 and capital of Marxist South Yemen. Relatively modern, densely populated, and directly governed by the British, with strong ties to India and the subcontinent.
- Aden Protectorates: 10 or so tribes, sultanates and emirates to the east of Aden Port under protectorate status from 1880s/1890s until the early 1960s. Sparsely populated, politically traditional, and socially conservative. Allowed a considerable degree of autonomy under the British and an awkward fit with Aden in the events leading up to and following independence in 1967.

Although its international borders with Saudi Arabia were finally negotiated only 10 years ago, Yemen is not an artificial construct of the colonial era. It calculates its history in millennia not decades or centuries. Aden Port has been a prize for nearly as long, and there is evidence of a brief and unsuccessful Roman presence near Aden. Attempts by the Ottomans to control the north repeatedly ended in failure. Aden was a British Crown Colony and one of the jewels in that crown, serving as a major coaling station. The eastern portion, primarily the Hadramaut was under protectorate status only. Despite a century plus of British colonialism in the Aden, by and large, the Yemen highlands and the eastern reaches missed most of the colonial period.

Ali Abdullah Saleh became President of North Yemen in 1978 following the assassination of two North Yemeni Presidents, one by South Yemeni agents, in the space of 9 months. (The South Yemeni President was assassinated in the same timeframe by a hard line rival). Eight months later, in early 1979, the South invaded the North, prompting massive U.S. military assistance to the North and support from a broad number of Arab states, including Jordan, Saudi Arabia, and Egypt. The South was backed by the Soviet Union and its allies, including Cuba. From 1976 to 1982 the South also backed an insurgency in the North. What Ali Abdullah Saleh inherited in 1978 and struggled with into the 1980s was a state that essentially existed along the Sana'a-Taiz-Hodeidah roads, and in the daylight. The southern border with the People Democratic Republic of Yemen was volatile and the 2,000 mile border with Saudi Arabia was contested and undemarcated.

To compound the challenges of political histories, the union in 1990, while a negotiated agreement, was not between equals. North Yemen, while impoverished and underdeveloped, had approximately 15 million people; the South, with one of the best natural harbors in the world and a refinery, had less than 2 million and was abandoned by its patron and benefactor, the Soviets. In addition, whatever Aden's natural advantages, it had been decimated by the closure of the Suez Canal and its British infrastructure had been allowed to rot under the Soviets. The South brought few assets, great expectations, and a number of liabilities into the union.

South Yemen was an international—or at least an American—pariah. It was the first state placed on the State Sponsors of Terrorism list for the collection of Marxist and alphabet soup terrorist group training camps, and ranked exceedingly low on early Human Rights Reports. What it also brought to the union was a bureaucracy of over 300,000 officials, larger by several factors than that of the North. Finally, there remained unsettled scores between the traditional and disposed leaders of the former protectorates and remnants of the Marxist government.

Governing Yemen is no easy undertaking. Resources have not kept pace with demands. Oil provided a respite but never at the levels commensurate with the neighbors, the needs or the expectations. Yemenis are fiercely independent and while demanding of government services will resist any heavy government hand. Their political and social worldviews run the gamut from well-educated, urban technocrats to simple farmers, from secular socialists through nationalists, a legal Islamist party to Salafi. It would be a mistake to assume all technocrats were liberals and reformers and that all farmers and tribesmen were Islamists or that any of these came in neat geographically defined packages. Yemen is not that simple.

Any government must balance the competing needs and demands of this disparate and deeply politically engaged population. Any issue, program, official, rumor or fact will be debated at length both in Parliament and in the equally important qat chews.

Patronage is an essential element of any government's ability to maintain power—even here—but it is not sufficient to explain the survival of the government over 30 years. Perhaps the best analogy is a juggler with plates on a stick. Each plate must be given its due attention or it, and perhaps all of them, will come crashing down.

To the extent the three major security concerns—the Houthi, the southerners and AQAP—pose an existential threat to the survival of the government and the state it is not their desire or ability to replace the government but their ability to distract and divert attention and resources. This government and no foreseeable successor government can manage all three adequately and still provide even the basics in services. The juggler can only move so fast.

THE UNITED STATES AND YEMEN

Given the self-isolation of the North and British control of Aden, the United States essentially ignored The Yemens for most of its modern history. One major exception—a U.S. scholarship program in the late 1940s and early 1950s for 40 young men, mostly Zaydi, to study in the United States. Nearly all returned to

Yemen, none cast their lot with the royalists and many went on to serve Yemen as technocrats, government ministers and the core of Yemen's political evolution over the next 50 years. President Kennedy's decision to recognize the Republican government in the North in 1962, barely 3 months after the Revolt irritated our friends the British, French, and the Saudis. Finally, the United States strongly and publicly backed Yemeni unity during the brief civil war and looked to Yemen to be a constructive partner after 9/11. Earlier this month, Chairman of the Joint Chiefs, Admiral Mullen, gave Yemen good marks on this last count, as had the previous administration.

Yemeni support for Iraq during the Iran-Iraq war and Yemeni mujahedeen battling the Soviets in Afghanistan (a disproportionate number of whom came from the south) became liabilities in the relationship only in retrospect.

Beyond that, Yemen figured as a secondary player in broader cold war and regional politics. Nasser's Egypt squared off against the Saudi monarchy over the Republican Revolution. The Egyptians threw in the towel in 1967 following their defeat in the war with Israel, although at that stage the Republicans had essentially defeated the monarchists. South Yemeni meddling in the North reflected tensions along the Soviet-West fault lines as inherent tensions along the Yemeni border. Our decision to provide massive military assistance to the North in the 1979 border war reflected events in Afghanistan and the Horn of Africa as much as any intrinsic interest in North Yemen.

U.S. economic development assistance and security cooperation with Yemen has been erratic and episodic. After the airlift of military equipment in 1979, the United States essentially walked away from any relationship with the Yemeni military. That equipment, or some of it, was still in the Yemeni inventory when I arrived almost 20 years later as Ambassador. Economic assistance waxed and waned. In the best of times it included a vibrant and still well-remembered Peace Corps program, major agricultural development assistance and an active scholarship program. At other times, we virtually zeroed it out.

When I arrived as Ambassador in 1997 we had essentially no development program, no USAID personnel, no Peace Corps, and no longer provided scholarships. The Yemeni decision not to support the 1990 U.N. Security Council Resolution on Desert Shield/Desert Storm and the 1994 Civil War are often cited as the reasons for this precipitous drop. However, Yemen was not alone among Arab states—including Jordan and Tunisia—on opposing non-Arab military action to liberate Kuwait and the civil war lasted barely 2 months. It hardly represented a direct or continuous threat to U.S. personnel. Basically, Yemen just slipped quietly off the radar screen. No major economic interests; no apparent security interest. Neither malicious nor benign neglect on our part. Just indifference.

The mandate of my tenure as Ambassador, with the full backing of the Department of State and General Zinni at Central Command, was to rebuild the relationship on as broad a front as possible, including security cooperation, democracy support, scholarships, economic development, and creation of a Coast Guard. The attack on USS *Cole* was not only an attack on the United States but was seen by the Yemenis as an attack on them and an attack on the changing relationship.

The perception of many Yemenis, including our friends, is that in recent years the aperture narrowed to security only or security first, and security as we defined it. We need to reopen that aperture.

YEMEN'S CHALLENGES; U.S. OPTIONS

It is not difficult to curb one's enthusiasm over our announced doubling of economic assistance to \$40 million/year along with \$120 million in military assistance. If we accept that there are somewhere in the neighborhood of 100–200 AQAP members in Yemen, and approximately 25 million Yemenis not affiliated with AQAP, we have upped our assistance to the non-AQAP Yemenis from less than \$1/per year/per Yemeni to about a buck sixty per and have committed over \$500,000.00/AQAP/year.

I understand that there is not a direct dollar-to-dollar correlation between an effective level of development assistance and military assistance, but this is not good, and it's not smart and it is not effective.

Yemen faces four major inherent challenges:

- Water: Finite, inadequate and diminishing rapidly;
- Energy: Finite, inadequate and diminishing rapidly;
- Political Infrastructure: Finite, inadequate and vulnerable;
- Population: Apparently infinite, abundant and expanding rapidly.

These four challenges feed the three security challenges, two directly and AQAP indirectly.

In both the northern rebellion and among the southern secessionists, a fundamental issue is the perception, the reality, of inadequate provision of governmental services. This is not to say that the central government is no more than a mayoralty. That reflects a lack of appreciation for the intrinsic character of the political and social system. It is also not to say that there is a demand for a strong central government. It is a demand for a more effective, efficient, and responsive government, one that provides resources through credible support to the local administrations system and to the citizens.

Water

Reports that Yemen, or at least the Sana'a Basin, will run out of aquifer water imminently have been circulating for decades and will become true at some point. Demand far exceeds the monsoons' ability to replenish and antiquated irrigation methods and subsidized fuel for pumps exacerbate the problem. Desalinization plans are hampered by the exorbitant cost of transporting the water over several mountain ranges to the populated and agricultural highlands at roughly 4,000–8,000 feet. Proposals to relocate the entire Yemeni population to the coasts do not warrant extensive discussion. The financial costs and the social and political upheaval would be catastrophic.

Energy

Yemen did not share its neighbors' blessings in oil or gas. What they had is diminishing and/or in remote and inaccessible regions. To put it in perspective, Yemen's oil reserves are calculated at 3 BBL. That is roughly half of Oman's reserves; Oman's population, however, is one-tenth Yemen's. Iraq, with approximately the same size population, has reserves of approximately 115 BBL, plus water and arable land.

Population

Yemen has one of the highest growth rates in the world and with a majority of the population under 25, a sonic baby boom is in the offing. As the trajectory climbs steeply, the pressures on water and energy will only increase as resources decrease.

The low level of education is a significant drag on the development of the country. Schools are few and far between and teachers too often are imported to supplement the lack of Yemeni teachers, while too many Yemenis are unemployed. Prospects for foreign investment are hampered by the lack of a work force with the necessary skills.

Political structure

Despite the theories of political science, Yemen has created a fragile, flawed but very real democratic structure and process that reflects the Yemeni character and traditions. Its flaws should be a focus of assistance not an excuse to disengage or not engage. The survival of this experiment is tied to the economic future of the state and the role of the neighbors and the donors.

A major and underdiscussed challenge to the political structure is the generational change underway. The Famous Forty are rapidly leaving the scene as are those from the Republican Revolution and the independence fight in the South. The next generation does not share this history or the alliances forged. Traditional tribal leaders, such as Paramount Shaykh Abdullah al-Ahmar, have been succeeded by a coalition of sons. There is most certainly a jockeying for position throughout the next generation—tribal, power elites, merchant families and technocrats. It would be presumptuous for us to declare the winner. We have no idea. Yemeni politics are more kaleidoscope than mosaic. It would be dangerous for us to insert ourselves into the process directly or indirectly. Whoever succeeds Ali Abdullah Saleh will need the affirmation of the nascent democratic structures as well as the blessings of the power elites. We can support the structures and processes; we cannot assume or pick the winners.

WHERE SHOULD THE UNITED STATES FOCUS?

To focus disproportionately on immediate military and security capacity-building is short-sighted. If our concerns about the threats from Yemen are sufficient to fund \$120 million in security assistance and an implicit understanding that development of credible security structures is a long-term investment, then our interest in keeping Yemen on the good side of the failure curve (recognizing that it may never be wholly prosperous) warrant an equal commitment to civilian capacity-building over a similar long haul. We need to do more than invest in extending the authority of the state and invest as well in the legitimacy and the capacity of the state and the society. We cannot grant "legitimacy" but we can assist in the development of those

elements of the state that provide services to the citizens. The “we” here is the U.S. Government, the international community and the regional neighbors.

- Develop a credible, efficient, and effective civil service. This is not as sexy as training an army or the police. It is not as telegenic. It is critical.
- Support Yemeni efforts to mitigate opportunities for diversion and corruption by the development of governmental and nongovernmental accountability structures.
- Support education and schooling, not through construction of schools (that is easy) but through elementary and secondary teacher training. Human capital is Yemen’s untapped natural resource.
- Support governance initiatives in all three branches of government and civil society. Civil society development creates a cadre of next generation officials; e.g., the current Minister of Water was the head of an NGO.
- Support training of primary health care system such as the midwifery training in the 1990s.
- Support restoration of Aden Port as a major entrepot for the Indian Ocean rim. This is Yemen’s second major natural resource. Development of the Port would create employment and mitigate north-south tensions.

SOME FINAL THOUGHTS AND CAUTIONARY TALES—CIVILIAN CAPACITY NOT JUST
MILITARY CAPABILITY

In shaping a U.S. strategy going forward in Yemen, we need to bear a few lessons of our own recent history as well as Yemen’s long history in mind. We are not smarter than their history or our own.

- We are dealing with a sovereign state, not a failed state, that has proven to be a credible if not always capable partner.
- The Yemeni Government will undertake those actions that are in its own best national interest. We have shared priorities, but perhaps not in the same priority order.
- Our commitment needs to be to build state capacity, including efforts to assist the development of a civil service, Parliament, judiciary and media/civil society—within a Yemeni context.
- Our involvement in state and human capacity development needs to equal if not exceed our commitment to build a military and police capability.

None of this guarantees success, however defined. However, a short-sighted, security-centric and episodic engagement with Yemen could create the very failed state neither we nor the Yemenis want or can afford. If this set of proposals looks costly, the cost of dealing with the ramifications of state failure will be far greater.

The CHAIRMAN. Thank you very much. Appreciate it.
Dr. Kagan.

**STATEMENT OF FREDERICK W. KAGAN, RESIDENT SCHOLAR
AND DIRECTOR, AMERICAN ENTERPRISE INSTITUTE’S CRITICAL
THREATS PROJECT, WASHINGTON, DC**

Dr. KAGAN. Senator Kerry, thank you for convening this hearing. Senator Lugar, thank you for inviting me.

I will speak very briefly, and I will focus on the issue that you raised, Mr. Chairman, about the question of interest alignment, because I actually think that that’s the most important discordant note that has not received, I think, quite enough attention in these discussions.

I do not think that we will be very successful in persuading President Saleh that al-Qaeda in the Arabian Peninsula is the most important threat that he faces. There are very good reasons why he sees the al-Houthi insurgency as a much more significant threat to his rule. That isn’t to say that he’s right, it isn’t to say that the Houthis are wrong, and it isn’t to say that there’s any particular outcome to the solution. But, it is to say that I think we’re going to have an extraordinarily difficult time persuading him that fighting a group that he’s more likely to perceive as our enemies than his enemies should take precedence over fighting a group

that—whose ideology fundamentally undermines the rationale and legitimacy of his rule. And I think that we have to understand that and take that into account.

The same is true, to a lesser extent, with the southern secessionist movement. I suspect that President Saleh, who, after all, defeated the southern secessionists, if you will, once before, probably doesn't see them as quite as serious a threat to his legitimacy as the core ideological attack that you could see in some of the Houthi ideology. And again, I'm not saying that—I'm not taking sides on this. But, he is likely to see anything that has as its objective the fracturing of his state as a more significant threat, and something that he needs to combat more seriously, than a group which has recently shifted its attention, actually, away from attacking the Yemeni Government, toward attacking us. And the fact that the Christmas Day bombing attempt makes AQAP more dangerous for us is not likely to be an argument that's necessarily going to hold sway with President Saleh over the long term about what kind of threat it poses to him.

And I think—I—it's too early to judge the issue of whether the Yemeni Government has made a decisive turn against AQAP, and really decided to do all of this stuff. We've seen this a little bit before, when the Yemeni Government had—you know, decided to go after al-Qaeda earlier on, in the last decade. And actually, we did very significant damage to the group, and then 23 al-Qaeda prisoners escaped, or were allowed to escape, and then we've had a little bit of catch-and-release program.

And so, the question of the duration of any kind of Yemeni Government commitment to doing this, fighting AQAP, as opposed to other things, is a real open question.

But, one of the things that I want to really emphasize is that we have to recognize the fact that, given the strategy that the administration has outlined, we have taken sides in Yemen on the question of the al-Houthi insurgency and the southern secessionist movement. You cannot say that our strategy is based on a close partnership with President Saleh, who is the President of Yemen now, and also say that we're agnostic about how these insurgencies come out. It's simply not going to work, whatever we think the merits of these cases are. Now, I'm not saying that there's a military solution. Frankly, I find that that's a straw man. Other than a handful of people on the far right, who are in favor of the Tamerlane pillars-of-skulls approach to counterinsurgency, which I don't support, there is no military solution to an insurgency at all, which doesn't mean there's not a military component. But, we will have to end up helping President Saleh come to a resolution of these two insurgencies that he finds acceptable as the price for having him cooperate with us on fighting al-Qaeda, which he is likely to find is a tertiary threat. And as long as we spend our time telling ourselves that we need to find a way to reorient him away from things that he finds very threatening, to things that we would like him to do, and simultaneously say that we don't really have an opinion about how those things that he cares about are going to come out, the likelihood of being able to establish a long-term, enduring, effective partnership, I think, is very low.

[The article submitted by Dr. Kagan as his prepared statement follows:]

ARTICLE SUBMITTED BY FREDERICK W. KAGAN, RESIDENT SCHOLAR AND DIRECTOR,
CRITICAL THREATS PROJECT, AMERICAN ENTERPRISE INSTITUTE, WASHINGTON, DC

[From the Wall Street Journal, Jan. 13, 2010]

HOW TO APPLY “SMART POWER” IN YEMEN

(By Frederick W. Kagan and Christopher Harnisch)

The Salah government will side with us against al-Qaeda if we side with it against insurgents.

President Barack Obama has made it clear that he does not intend to send American ground forces into Yemen, and rightly so. But American policy toward Yemen, even after the Christmas terrorist attempt, remains focused on limited counterterrorist approaches that failed in Afghanistan in the 1990s and have created tension in Pakistan since 2001.

Yemen faces enormous challenges. Its 24 million people are divided into three antagonistic groups: a Zaydi Shiite minority now fighting against the central government (the Houthi rebellion); the inhabitants of the former Yemen Arab Republic (in the north); and the inhabitants of the former Peoples Democratic Republic of Yemen (in the south), many of whom are engaged in a secessionist rebellion. Its government is corrupt, its security forces have limited capabilities, and a large swath of its population is addicted to a drug called qat.

The World Bank estimates that Yemen will stop earning a profit on its oil production by 2017 (oil now accounts for more than half of the country’s export income). Only 46 percent of rural Yemenis have access to adequate water (40 percent of the country’s water goes to growing qat), and some estimates suggest Yemen will run out of water for its people within a decade.

American policy in Yemen has focused heavily on fighting al-Qaeda, but it has failed to address the conditions that make the country a terrorist safe haven. Targeted strikes in 2002 killed key al-Qaeda leaders in Yemen, and the group went relatively quiet for several years. The U.S. military has been working to build up the Yemeni Coast Guard (to prevent attacks similar to the one on the USS *Cole* in 2000) and to improve the counterterrorist capabilities of the Yemeni military in general.

But the U.S. has resisted supporting President Ali Abdallah Salah’s efforts to defeat the Houthi insurgency, generating understandable friction with our would-be partner. As we have found repeatedly in similar situations around the world (particularly in Pakistan), local governments will not focus on terrorist groups that primarily threaten the U.S. or their neighbors at the expense of security challenges that threaten them directly. A strategy that attempts to pressure or bribe them to go after our enemies is likely to fail.

Mr. Salah is an unpalatable partner, and we don’t want to be drawn into Yemen’s internal conflicts more than necessary. But he is the only partner we have in Yemen. If we want him to take our side in the fight against al-Qaeda, we have to take his side in the fight against the Houthis.

The U.S. must also develop a coherent approach that will help Yemen’s government improve itself, address its looming economic and social catastrophes, and improve the ability of its military, intelligence and police organs to establish security throughout the country. The U.S. now maintains an earnest but understaffed and underresourced USAID mission in the American Embassy in Sana, the country’s capital. But because of security concerns, U.S. officials are largely restricted to Sana and therefore cannot directly oversee the limited programs they support, let alone help address systemic governance failures.

Yemen received \$150 million in USAID funds in 2009—one-tenth the amount dispensed in Afghanistan; less than one-fifth the amount provided to Gaza and the West Bank; and roughly half of what Nigeria received. The Pentagon recently said it would like to double the roughly \$70 million Yemen received in security assistance. But the total pool from which that money would come from in 2010 is only \$350 million, according to Pentagon spokesman Geoff Morrell, and there are other pressing demands for those funds.

The problems in Yemen will not be solved simply by throwing American money at them. But dollars are the soldiers of the smart power approach. Having a lot of them does not guarantee success, but having too few does guarantee failure.

Developing a coherent strategy focused on the right objectives is important, and hard to do. The country team in any normal American embassy (like the one in Sana) does not have the staff, resources or experience to do so. The limited American military presence in Yemen does not either. Despite years of talk about the need to develop this kind of capability in the State Department or elsewhere in Washington, it does not exist. It must be built now, and quickly.

The President could do that by instructing Secretary of State Hillary Clinton to form a Joint Interagency Task Force on Yemen. Its mission would be to develop and implement a strategy to improve the effectiveness of the Yemeni government and security forces, reestablish civil order, and eliminate the al-Qaeda safe haven. Its personnel should include the Yemen country team, headed by the ambassador, and experts from other relevant U.S. agencies as well as sufficient staff to develop and execute programs. An immediate priority must be to provide security to American officials in Yemen that will enable them to travel around, even though there will not be American forces on the ground to protect them.

This strategy will require helping Yemen defeat the Houthi insurgency and resolve the southern secessionist tensions without creating a full-blown insurgency in the south. It will also require a nuanced strategy to help the Yemeni government disentangle al-Qaeda from the southern tribes that now support or tolerate it.

One of the key errors the Bush administration made in Afghanistan and Iraq was to focus excessively on solving immediate security problems without preparing for the aftermath. Too narrow a focus on improving counterterrorist strikes in Yemen without addressing the larger context of the terrorist threat growing in that country may well lead to similar results. If the Obama administration wants to avoid sending troops to Yemen, it must act boldly now.

The CHAIRMAN. Appreciate it. Thank you very much.
Dr. Nakhleh.

STATEMENT OF EMILE NAKHLEH, FORMER SENIOR INTELLIGENCE SERVICE OFFICER, FORMER DIRECTOR OF THE POLITICAL ISLAM STRATEGIC ANALYSIS PROGRAM, CENTRAL INTELLIGENCE AGENCY, ALBUQUERQUE, NM

Dr. NAKHLEH. Thank you, Mr. Chairman.

I would like to add to what my two colleagues said about Yemen. And the first point I would like to make is that in order to understand the radical paradigm in Yemen, we need to understand the realities of the country, the regional context in which the country operates, and the fortunes of al-Qaeda and AQAP in Yemen.

Yemen, as was correctly indicated, includes an authoritarian regime, a serious demographic problem, weak and ineffective government authority, nonexistent rule of law, tribal fiefdoms, sectarian conflicts in the north, dwindling resources, a Shia or Zaydi rebellion, and a secessionist insurgency in the south. It also has deep poverty, poor education, and high illiteracy. It has, also, a tradition—a long tradition of Islamic jihad and Islamic radicalism.

The regime in Yemen is characterized by corruption, nepotism, repression, denial of human rights, a lukewarm commitment to reform, poor economic policies, and above all—above all—alliances with shady characters and centers of power in order to survive and bequeath his rule to his family. The population of Yemen basically is large, young, poor, unemployed, poorly educated, antiregime, anti-United States, and is becoming more Islamized.

The CHAIRMAN. Do you have a plus list there? [Laughter.]

Dr. NAKHLEH. Yes. I'm coming to that.

The—radicalism in Yemen has operated in a regional context for years. Of course, as you correctly pointed out, Mr. Chairman, Yemen is close to Somalia, Bab el Mandeb, the Red Sea, the Arabian Gulf—the Arabian Sea and Persian Gulf. Al-Qaeda is losing,

on the global level, and therefore we see more local organizations emerge in Yemen and elsewhere.

Now, what does this mean, and what to do about it? It seems to me that al-Qaeda central and AQAP would want us to declare Yemen a new front in the war on terror, hoping we would initiate massive military operations in that country. We should not, it seems to me, fall in that trap. “Invasion” of yet another Muslim country, especially one located in the Greater Land of the Two Holy Mosques, will be a propaganda bonanza for al-Qaeda and other radical organizations. Like the “invasion of Iraq and Afghanistan” large U.S. military operations in Yemen will be used to recruit new terrorists and jihadists.

Defeating al-Qaeda and similar organizations requires, it seems to me, a two-pronged operation and a strategy. One is that radical AQAP operatives, leaders, and recruiting or enabling clerics might be—might not represent the entire network, but—neutralizing them from the scene will not eliminate the terror threat, but will go a long way toward weakening al-Qaeda and AQAP.

The second is that the engagement strategy that was enunciated by President Obama in the Cairo speech should be pursued at a multilevel—pursued in a multilevel approach.

So, in order to have a chance of success, we must view this envisaged relationship between us and the Muslim world as a long-term generational project which would require patience, expertise, a national commitment at the highest levels of our government. It will also have to involve our European allies and a number of modernist Muslim countries, particularly Indonesia and Turkey.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Nakhleh follows:]

PREPARED STATEMENT OF DR. EMILE NAKHLEH, ALBUQUERQUE, NM

TURMOIL IN YEMEN: HOW UNDERSTANDING THE CHALLENGES CAN HELP US UNDERMINE AL-QA’IDA AND THE RADICAL PARADIGM

Good morning. Thank you, Mr. Chairman, for inviting me to share my thoughts about Yemen with you and members of the committee.

In order to undermine the radical paradigm and disable the terrorist threat to the homeland, it is imperative that we understand the nexus between Yemen and both al-Qa’ida Central and al-Qa’ida in the Arabian Peninsula (AQAP) and the realities that have made Yemen a hospitable environment for global jihadis and terrorists. The challenges we face in Yemen unfortunately are not unique; in fact, they are similar to other challenges that we have encountered in other countries and regions in which Al-Qa’ida and its affiliates have found a safe haven. We need to be cognizant of these challenges in order to counter al-Qa’ida.

The threat is not new, and Islamic radicalism in Yemen goes back many years. This threat did not develop with the failed terrorist plot on Christmas Day, nor will it end with putting him away. Furthermore, the terrorist threat in Yemen cannot be viewed in isolation. We should analyze it in at least three different but inter-related contexts: the domestic realities of Yemen; the regional Arab Islamic environment; and the changing global reach of al-Qa’ida.

Please allow me to say a few words on each of the three contexts.

Yemen

The country possesses all the factors that often drive radicalism and extremism, including an authoritarian regime; a serious demographic problem; weak and ineffective government authority; nonexistent rule of law; tribal fiefdoms and jealousies; sectarian conflicts; dwindling resources; a Shia (Zaydi) rebellion in the north and secessionist insurgency in the South; deep poverty; poor education; high illiteracy; and a long tradition of Islamic jihad. Yemen is a state at risk.

- Because of rampant lawlessness and weak governance, numerous radical tribal clerics who act as radicalizers, trainers, and recruiters roam the countryside in relative freedom.

Regime. Ali Abdallah Saleh's regime has long been characterized by corruption, nepotism, repression, denial of human rights, a lukewarm commitment to reform, poor economic policies, and above all the willingness to make alliances with shady characters and centers of power in order to survive and bequeath his rule to his family.

- Saleh's son, Ahmad, groomed to become the next President, heads the country's Republican guard and Special Forces. His three nephews—Amar, Yahya, and Tarek—hold key national security positions and the Presidential Guard. Saleh's half brother, Muhammad Saleh al-Ahmar, heads the air force. He has consolidated his control over the country through his family and has made Yemen a "Family, Inc."
- Saleh's "alliances" with different tribal chiefs and radical Islamic centers of power and his use of coercion and cooptation have been designed to keep his regime in power. As the income from oil dwindles, Saleh's influence over tribal chiefs is receding and his authority beyond San'a is waning. Government authority beyond the capital is ineffective and almost nonexistent; tribal chiefs and centers of power are the law in the provinces.
- Equally critical, for Saleh the key threat has always come from the Shia rebellion in the north and the secessionist Movement in the South. He has viewed Islamic radicalism and al-Qa'ida as a manageable threat he could contain and make deals with. He has believed for many years that al-Qa'ida's strategic goal has been to topple the Al Saud regime but not his. According to a Yemeni academic, "The Saudis are the real prize for al-Qa'ida, Yemen is the platform."
- Saleh's cynical use of radical Sunni Islamic ideology in recent years to combat the other internal threats (for example, the Houthis in the north and the secessionist movement in the South) has inadvertently helped spread the Wahhabi Islamization in parts of Yemeni society, which made it a hospitable environment for radicalism and al-Qa'ida supporters. The Islamic political party, Islah, which has worked with Saleh previously against internal challenges has lost confidence in Saleh's leadership and is turning against him.
- Saleh's legendary ability to juggle the different forces and ideological centers in Yemen in the past 30 years to maintain his hold on power has run its course. Hitching his wagon to "America's war against al-Qa'ida" would not stabilize his regime or keep Yemen from descending into chaos.

Demographics. Yemen's demographics present another discouraging picture.

- Almost half of Yemen's 24 million total population is under 16 years old. Yemen has one of the highest rates of population growth in the world (3.45 percent).
- Yemen suffers from deep poverty—unemployment hovers around 35 percent, and almost half the population is below the poverty line. The rate of economic growth is below 3 percent and the rate of inflation is around 18 percent. Unemployment is even higher among the young.
- Like other states at risk, Yemen's population is large, young, poor, unemployed, poorly educated, antiregime, and becoming more Islamized. The old traditional social contract, which allowed the regime a wide leeway to rule in lieu of state support for the safety and well-being of the citizens, has all but disappeared. Literacy is barely 50 percent.
- If demographic, economic, and political trends continue, it is not unthinkable to see Yemen become a failed state in the next 3 years.

Islamic Radicalism. As a country and a seafaring people, Yemen has had a long experience with Islamic movements, Islamic activism, and Islamic radical ideologies. In fact, Yemen and Islamic activism have intermingled since the early days of Islam in the seventh century.

- Yemen's Islam over the centuries has consisted of Sunnis belonging to the relatively moderate Shafi'i School of jurisprudence and of Zaydi Shia, especially in the north. Yemen's Islam has on many occasions been in the forefront of the fight against perceived unjust rulers and other enemies of Islam.
- Much of Yemen's Islamic militancy in past decades emerged among the tribes in rural provinces, including in Hadramaut—the ancestral home of Usama Bin Ladin.
- Wahhabi and other radical ideologies—Sunni and Shia—began to spread in Yemen in recent decades and to spearhead the struggle against domestic and regional rulers and against Western interests, policies, and personnel—the so-called near and far enemies.

- In the past three decades, Yemen exported many of its youth to do jihad in the name of Islam in Southeast Asia, Afghanistan, Iraq, Saudi Arabia, and other parts of the gulf.
- Numerous Muslim youth and activists from Southeast Asia, especially from Indonesia, have been radicalized in Yemen through education and training at conservative and radical institutions.
- Activists in Yemen—Islamists and traditional secularists, including socialists, Marxists, Ba'athists, and Arab nationalists—no longer believe that gradual reform and change are possible from within through peaceful means. More and more groups and movements, including Islamic radicals and extremists, are turning to violence as the only way to wrest power from the regime and consolidate their own power over parts of the country.

Radical Salafism. In the past 5 years, Yemen has witnessed the emergence of a new brand of Salafi ideology that offers a conservative, rigid, intolerant, and exclusivist interpretation of the Koran and the Hadith.

- This intolerant ideology has spread in countries struggling with youth bulges and weak economies, including Yemen, Egypt, Palestine, Pakistan, Lebanon, Iraq, Morocco, Sudan, Chad, Somalia, Afghanistan, and parts of Saudi Arabia and the Arab states of the Persian Gulf.
- The Salafi ideology shuns politics and has been critical of Islamic political parties for participating in elections. Such parties—for example, the Muslim Brotherhood, Hamas, Justice and Development in Morocco, Islamic Constitutional Movement in Kuwait, AKP in Turkey, PAS in Malaysia, and Hizballah—have strongly rejected the Salafi ideology for its religious rigidity.
- Salafists in Yemen, as in other Muslim countries, have cooperated closely with al-Qa'ida jihadists against existing regimes and their close association with the United States. Salafis have accused the US of waging a war on Islam.
- Saleh, like some other authoritarian regimes, has cynically used the Salafi ideology to weaken established Islamic political parties—for example, the Islah Party—and other antiregime movements, including the Houthi rebellion and the Movement of the South.
- AQAP has indirectly benefited from the cozy regime-Salafi relationship.

The Houthi Shia Uprising. Yemeni Zaydi Shia (one of the three Shia branches in the world; the other two being the Twelvers and the Isma'ilis) have lived in Yemen and have managed to live peacefully with Sunnis and others in that country. Zaydis Shia imams ruled Yemen from the late ninth century until 1962; currently the Zaydis constitute approximately 40 percent of the population. Of all Shia factions, Yemeni Zaydis are the closest to Sunni Islam.

- In recent years, however, the rise of radical Sunni activism, especially with the return of Sunni Jihadists from Afghanistan in the late 1980s and early 1990s, Zaydis began to feel threatened by the anti-Shia radical Sunnis and Wahhabis.
- Hussein al-Houthi, who was a member of the Yemeni Parliament in the 1990s and is fiercely anti-Wahhabi and anti-al-Qa'ida, started the uprising with his “The Young Believers” this past year because of his objections to the Saleh regime, the pro-U.S. policies of the Saleh government, and the ascendant Sunni radicalism.
- In trying to crush the uprising, the regime has called on the Saudi military for help and direct involvement in the fighting. He has also enlisted Sunni radical groups to fight what he has described as a pro-Iranian “Shia” movement. In fact, pro-al-Qa'ida Yemeni radical Sunni figures, like Abd al-Majid al-Zindani, former head of the Islah Party and a close ally of Bin Ladin, criticized the uprising as a “sedition” or “fitna.”
- The Houthi uprising has become a proxy war between Saudi Arabia and Iran. Houthi's antiregime stance, however, has found resonance among Zaydi and non-Zaydi Yemenis, especially as the regime's overwhelming force has been unable to crush the uprising.

Saleh's growing support of U.S. military actions against AQAP will likely weaken his position among Sunnis and undermine his efforts to fight the uprising in the north and the secessionist movement in the south. It is too soon, however, to predict how Saleh will solve this strategic dilemma. Two strategic questions come to mind:

- First, will Saleh support the U.S. and fail to defeat the domestic threats to his regime in the north and in the south or will he pay only lip service to the fight against AQAP and retain the support of the Sunnis?
- Second, as the Houthi uprising continues, as Iran and Saudi Arabia become more deeply involved in northern Yemen, and as Yemeni Shia forge closer relations with other Shia groups in the Arabian Peninsula—particularly in Saudi

Arabia, UAE, Bahrain, and Kuwait—will Saleh be forced to treat the uprising as a regional issue rather than a purely domestic matter, and will he abandon the fight against al-Qa'ida in order to regain the upper hand domestically? Or has time simply run out on such a calculation?

Southern Movement. The new Yemen was created in 1990, following the collapse of the Soviet Union and the loss of the Marxist south's international patron, when the north (San'a) and the south (Aden) merged into one state. The "republican" north reflected a tradition of military authoritarianism, nationalism, and Islamism; the south's background was socialist, Marxist, and populist. Almost two decades since the merger, some people in the south still harbor the view that the union was rammed down their throats and that they are under "occupation" by the "Saleh family-run dictatorial north."

The merger faced its first shock in 1994 when army units from the "socialist South" revolted against the "corrupt, crony" Saleh regime in the north. Saleh enlisted both the Saudis and the radical Salafi Islamists to fight the formerly Marxist forces and was able to crush the secessionist movement.

- Saleh's tactical reliance on the Saudis and the radical Salafis against his domestic enemies was the first in a series of such entanglements. Such arrangements reflect Saleh's deeply held view that the Wahhabi-Salafi ideology, the cornerstone of the al-Qa'ida, is not a threat to him and that he could work with activists and jihadists who hold these views.
- That view was dealt a severe blow when in early 2009, Tariq al-Fadhli, an Arab Afghan jihadist from the south, broke with the Saleh regime and joined the "Southern Movement" and since then he's become its leader.
- Salafi jihadists, tribal leaders, and traditional secularists in the south and across the country seem to be coalescing in a jihadist front against Saleh, which does not bode well for his "one-man, family-run" regime, particularly at this juncture when he is under tremendous pressure from the U.S. to support its counterterrorism war against AQAP.

Regional Context

The counterterrorism war against AQAP in Yemen is now organically linked to regional issues, players, and developments. The regionalization and internationalization of this effort, much to Saleh's dismay, is no longer a domestic Yemeni affair, which Saleh could manipulate like pieces on a chessboard. The regional context comprises the following 10 components:

- Growing U.S. military involvement—albeit so far by proxy—in the Middle East outside Iraq.
- Saudi-Iranian military activity in the Arabian Peninsula and on-going Iranian support of Sunni and radical Islamist groups across the region.
- Yemen's geostrategic linkages to the Horn of Africa, the strategic Bab el-Mandab waterway between the Gulf of Aden and the Red Sea, the Gulf of Oman, and the Persian Gulf.
- A rising radical Salafi trend across parts of the Muslim world.
- The waning fortunes of al-Qa'ida Central and the franchising of its terror operation into nations at risk, including Yemen, Somalia, the Maghreb, and other places.
- Continued Islamization of Arab politics.
- Entrenched regime authoritarianism, corruption, nepotism, and denial of human rights in many parts of the Middle East, including in Yemen.
- On-going anti-al-Qa'ida and anti-Taliban military operations in Afghanistan and Pakistan.
- Unresolved Israeli-Palestinian conflict and deepening misery in Gaza.
- Turkey's growing shift to the Arab Islamic south and expanding involvement in Arab and Islamic issues.

Al-Qa'ida

The good news on the counterterrorism front is that more and more Muslim thinkers, writers, and media editorialists are openly criticizing al-Qa'ida's violence and wanton terrorism. In fact, 2 days ago, a prominent U.K. Muslim group, "Minhaj-ul-Quran," issued a lengthy fatwa (religious ruling) declaring suicide bombings, terrorism, and the killing of innocent civilians as "absolutely against the teachings of Islam."

- Al-Qa'ida is losing the moral ethical argument it had advanced previously, namely that the killing of innocent civilians, including many Muslims, was justified in the defense of Islam.

- According to Arab and Muslim media analysis and reports, al-Qa'ida's inability to provide Muslim youth with jobs, education, economic development, and women and human rights, has plunged the organization in a crisis of legitimacy and authority.
- The recent formation of AQAP and its publicly promoted plots out of Yemen do not mask the crisis in recruiting, fund raising, and thinning bench of terror expertise that al-Qa'ida Central is facing. Operations in Yemen might also indicate that al-Qa'ida Central in the Afghanistan-Pakistan border region has suffered under U.S. predator and other attacks.
- President Obama's "new beginning" speech in Cairo June 4 of last year created a bounce in the Arab Muslim world about a better future relationship between the United States and the Muslim world, according to Arab and Muslim media reports.
- According to John Brennan, the President's senior advisor on counterterrorism, our values as a nation and our commitment to justice, respect, fairness, and peace are the most effective weapon we have in our arsenal to fight the forces of radicalism and terrorism. In addition, bringing hope, educational promise, and economic opportunity to the youth in Muslim societies is the best defense against the false promises of death and destruction promoted by al-Qa'ida and its affiliates.
- Brennan's statement was a response to Muslim media reports that the bounce from President Obama's conciliatory rhetoric among Arabs and Muslims would be long-lasting if it were followed by significant policy shifts on human rights, political reform, democracy, war crimes, closing Guantanamo, and by renewed efforts at the highest level to resolve the Israeli-Palestinian conflict.

WHAT DOES THIS MEAN AND WHAT TO DO ABOUT IT?

Al-Qa'ida Central and AQAP would want the United States to declare Yemen a new front in the war on terror hoping we would initiate massive military operations in that country. We should not fall in their trap! "Invasion" of yet another Muslim country, especially one located in the greater "Land of the Two Holy Mosques," will be a propaganda bonanza for al-Qa'ida and other radical organizations. Like the "invasion" of Iraq and Afghanistan, large U.S. military operations in Yemen will be used to recruit new terrorists and jihadists; the last thing we need to do is to inadvertently help energize al-Qa'ida and its affiliates.

Al-Qa'ida and other radical and extremist groups will be present in many Muslim countries regardless of the fortunes of Al-Qa'ida Central. Al-Qa'ida and other ideologically like-minded groups will continue to pose a threat to Western countries and to the Homeland and to American interests and personnel overseas.

- Regime behavior and policies in many Muslim countries—including authoritarianism, corruption, nepotism, and denial of human rights—as well as social and economic realities have inadvertently contributed to the rise of extremism in those countries.
- In Yemen as elsewhere, however, fighting and defeating these groups cannot and will not be accomplished by the force of arms alone.

Defeating al-Qa'ida, AQAP, and similar terrorist groups requires a two-pronged long-term strategy.

First, a continued, concerted effort to target and neutralize al-Qa'ida leaders, operations, and training camps in Yemen and other countries where these leaders operate.

- Radical AQAP operatives, leaders, and recruiting or enabling clerics—including Nasir al-Wuhayshi, Sa'id al-Shehri, Qasim al-Raymi, Hizam al-Mujali, and Anwar al-Awlaki—might not represent the entire network and removing them from the scene might not eliminate the terror threat, but neutralizing them goes a long way toward weakening al-Qa'ida, AQAP, and their affiliates.
- Effective targeting operations require intensive collection, analysis, and sharing of intelligence at home; transnational intelligence cooperation among intelligence services; a long-term commitment in resources and personnel; blocking recruiting on radical Web sites; and deep expertise in the radicalization process as well as in Yemen and other Muslim societies.
- Bilateral and transnational intelligence sharing can be most effective in undermining al-Qa'ida and its affiliates in Yemen and elsewhere when it is based on professionalism, good tradecraft, genuine exchange of information, a strategic shared interest in fighting al-Qa'ida, and a willingness to share relevant and appropriate intelligence and information.
- Several authoritarian regimes and security services, unfortunately, in Yemen and elsewhere have used the fight against terrorism as an excuse to muzzle

peaceful, proreform civil society institutions and to deny their peoples the right to participate in the political process freely, openly, and without harassment.

Second, as President Obama and his senior counterterrorism advisor have said before and since the Christmas Day failed terrorist plot, U.S. national interest dictates that we engage broader segments of Muslim societies in an effort to delegitimize the radical paradigm and undercut the extremist message of al-Qa'ida. Such engagement should target Muslim communities and centers focusing on tangible initiatives in elementary and secondary education, microinvestment and economic development, political reform, public health, clean water, agriculture, and science and technology.

Although we would continue to engage regimes for national security reasons, the broader engagement should involve indigenous, credible and legitimate religious and political civil society communities that are committed to the welfare of their societies and the well being of their citizens. In Yemen, the Islah Party and private associations in the San'a and Aden regions should be involved. The strategic goal of this engagement is to present Yemeni and other Muslim youth with a more hopeful future vision than the empty promises of al-Qa'ida.

- Although some authoritarian regime, including Saleh of Yemen, will object to such a broad effort by the United States, our policymakers working in concert with our European allies and a few moderate Islamic states will have to find ways to convince skeptical regimes that engaging their nongovernmental institutions will not necessarily undermine the country's stability. On the contrary, such an engagement will likely eradicate civil conflict and promote peaceful regime-society relations.

In order to have a chance of success, we must view the envisioned relationship between the United States and the Muslim world as a long-term, generational project, which would require patience, expertise, and a national commitment at the highest levels of our government. It will also have to involve our European allies and a number of modernist Muslim states such as Indonesia and Turkey.

In the past four centuries, Yemeni citizens, seafarers, and merchants have traveled to and settled in Indonesia. Their descendants have prospered in that country and attained senior positions in the Indonesian Government and economy as well as in Indonesia's two largest Islamic NGOs—Muhammadiyah and Nahdlatul Ulama. Many Indonesian Muslim families have maintained familial relations with their Yemeni relatives and have sent their teenage children to study Arabic and the Muslim religion in Islamic madrasas in Yemen.

Turkey's resurgence as a key player in the Arab Muslim world could be a positive factor in promoting tolerance and moderation in Yemen and other Arab and Muslim countries. Recent polling data from several Arab countries shows that majorities of respondents view Turkey positively and favor its growing involvement in the region. In education, business, and civil society, Turkey offers a tangible proof of the compatibility of Islam and democracy and could work with indigenous NGOs in Yemen and elsewhere to promote a more tolerant and modernizing vision of Islam.

Finally, now that we are directing our attention to Yemen and to fighting AQAP in that unfortunate country, we should not lose sight of the social factors that drive radicalism and of the regional context of Yemen. As the administration proceeds with implementing some of the principles enunciated by the President in the Cairo speech, policymakers will have to demonstrate to our citizens and to the global community that terrorism threatens Muslim and non-Muslim countries alike; that engaging Muslim communities serves our national interest; that the process might not show results for several years; and that it requires deep expertise and resources. The utilization of the full array of U.S. power and influence through diplomacy and other means complements the military in significant ways. Long-term engagement, if done smartly, selectively, and consistently, will help erode radicalism and discredit the recruiters of suicide bombers and the preachers of hate and terrorism.

The CHAIRMAN. Thank you very much, Dr. Nakhleh. Appreciate it.

Mr. Johnsen.

**STATEMENT OF GREGORY JOHNSEN, PRINCETON
UNIVERSITY, PRINCETON, NJ**

Mr. JOHNSEN. Thank you, Chairman Kerry.

In order to fully understand the realities of political life in Yemen, I think one has to realize that the Yemeni state is beset

by three distinct layers of conflict, and that these three layers will increasingly plague the country in the coming years. All of these layers, although they are distinct, are exacerbating one another in ways that aren't wholly knowable or predictable at this time.

At the top we have a struggle for power among the elite. This is taking place out of sight and behind closed doors. In the middle are the trio of security crises that we've talked about here today: the resurgence of al-Qaeda, the al-Houthi insurgency, and the threat of southern secession.

Underlying both of these challenges is, I think, a bedrock layer of what might be called "structural challenges." This encompasses things like Yemen's rapidly dwindling oil reserves, its nearly depleted water table, chronic unemployment, poverty, explosive birth-rate, rampant corruption, low literacy rate, and an antiquated infrastructure. The laundry list goes on and on.

Yemen's many problems defy easy or quick solutions, and there's a limit both to the influence and the impact the United States, its allies, and regional partners can have on the country's future. Certainly, action must be taken. But, this action must be both considered and cautious. Yemen's problems did not arise overnight, and they will not be solved in a day. The odds are quite long against the type of success that will transform Yemen into a stable, durable, and fully democratic state. But, the costs of inaction or failure will be exceedingly high.

Let me just say a word about al-Qaeda. I think the—in Yemen, we're long past the point of what I would call a "magic missile solution" to the al-Qaeda problem. Al-Qaeda is now much too strong and much too entrenched to be destroyed in the way it was in 2002, when the United States assassinated Abu Ali al-Harhi. Lapsed vigilance by both the United States and the Yemeni Government allowed al-Qaeda to rebuild and reorganize itself, essentially resurrect itself up from the ashes, and so what we're dealing with now is the second incarnation of al-Qaeda, which has learned a great deal from its earlier mistakes.

Al-Qaeda in Yemen is, as I mentioned, now much stronger than it has ever been in the past, and whether or not it realizes this, the United States is in a propaganda war with al-Qaeda in the Arabian Peninsula, and it's losing, and losing quite badly. Al-Qaeda's narrative, with the notable exception of suicide attacks within the country, is broadly popular in Yemen. It has put itself on the right side of nearly every issue, from local corruption to the case of Guantanamo to Palestine.

One of the things that most stood out to me on a recent trip, in August 2009, was a statement by a Yemeni friend of mine who said he could no longer tell the difference between al-Qaeda in the mosques and al-Qaeda in the caves, and I think what should be of most concern for us here today is that, in my view, al-Qaeda in Yemen is the most representative organization in the country.

As I mentioned, Yemen's many problems defy easy or quick solutions, and we should be honest with ourselves about the limited amount of influence and impact that the United States, its allies, and regional partners can have on Yemen's future. Much of the country's future will continue to remain beyond human engineering, and even a near-perfect strategy will leave too much to chance.

In the absence of any easy or obvious solutions, Yemeni advisers and a surprising number of foreign experts are putting their faith in the country's blind ability to muddle through the multitude of challenges it's going to face in the near future. This belief is supported by an intimate knowledge of the past. Yemen, they claim, has seen much worse, and still it survives. But, such as argument, I believe, confuses history with analysis, and in Yemen, hope—and even desperate hope—is not really a strategy.

Thank you very much.

[The prepared statement of Mr. Johnsen follows:]

PREPARED STATEMENT OF GREGORY D. JOHNSEN, PH.D. CANDIDATE, NEAR EASTERN STUDIES, PRINCETON UNIVERSITY, PRINCETON, NJ

INTRODUCTION

Thank you, Chairman Kerry, Senator Lugar, and members of the Foreign Relations Committee for inviting me here to speak to you today. I appreciate the attention this committee and Congress as a whole is paying to Yemen and the multitude of challenges that country is currently facing.

Yemen is teetering on the brink of disaster but its problems, while extensive, are neither new nor unknown. They are, however, overwhelming. The numerous different crises are nearly debilitating in their totality.

There are, simply put, too many problems of too severe a nature to deal with independently of one another or on a crisis-to-crisis basis. Instead Yemen and its challenges have to be understood and dealt with as a whole.

In order to fully understand the realities of political life in Yemen one has to realize that the Yemeni state is beset by three distinct layers of conflict, only one of which is visible to outside observers, and that these three layers will increasingly plague the country in the coming years. All of these layers, while distinct, are exacerbating one another in ways that are not wholly knowable or predictable at this time.

At the top is the struggle for power among the elite, which will take place out of sight, behind closed doors. In the middle is the trio of security challenges—al-Qaeda, the Huthi rebellion and the threat of southern secession—which the state is currently combating. Underlying both of these is the bedrock layer of what might be called structural challenges. This encompasses things like Yemen's rapidly dwindling oil reserves and its nearly depleted water table as well as chronic unemployment, poverty, an explosive birth rate, rampant corruption, low literacy rates, and an antiquated infrastructure.

Yemen's many problems defy easy or quick solutions and there is a limit both to the influence and the impact that the United States, its allies and regional partners can have on the country's future. Certainly action must be taken, but this action must be both considered and cautious. Yemen's problems did not arise overnight and they will not be solved in a day. The odds are quite long against the type of success that will transform Yemen in a stable, durable, and fully democratic state, but the costs of inaction or failure will be exceedingly high.

I. ELITE RIVALRY

In a country where his two immediate predecessors were assassinated within a year of each other, President Ali Abdullah Salih has survived 31 years in power by maintaining a great deal of political dexterity and by surrounding himself with relatives, childhood friends, and close confidantes. The military and intelligence command structures resemble a Sanhan family tree. Both the style and the structure of his rule are now beginning to fracture.

Yemen's economic straits means that he has less money to maintain his own patronage network as well as to play different factions off against one another as a way of keeping potential opposition groups perpetually dependent. Within his own Sanhan tribe the once strong bonds of loyalty are starting to show signs of strain.

His oldest son and a quartet of nephews appear to be preparing for a post-Salih scramble for power, while another member of Sanhan, Ali Muhsin al-Ahmar, remains the most powerful military commander in the country in charge of the 1st Armored Division. The downside of doling out military and intelligence commands to relatives is that there is a tendency for them to use their troops as personal instruments. Salih's efforts to tilt the game in favor of his son by forcibly retiring well-

placed allies of al-Ahmar have created a great deal of animosity and anger within the ranks.

Nor is the struggle just within the family. President Ali Abdullah Salih and other members of his family, which is often referred to as bayt al-Ahmar, after the name of his village, are all Zaydis. None, however, identify primarily as Zaydis, and indeed if they accepted all the teachings of traditional Zaydism they would be unacceptable as rulers.

Another traditionally powerful family of 10 brothers—also known as bayt al-Ahmar—is also looking to turn its tribal and business muscle into political power. This family, which is unrelated to the President's family, is also Zaydi. Shaykh Abdullah al-Ahmar headed this family until his death from cancer in December 2007. He was also the paramount shaykh of the Hashid tribal confederation, Speaker of Parliament and head of the Islah Party. His sons have had difficulty inheriting the full mantle of his leadership, and no one person has been able to consolidate the same amount of power that Shaykh Abdullah was able to command. His eldest son, Sadiq, was elected to succeed him as Shaykh ma-shaykh (paramount Shaykh) of Hashid, while a younger son, Hamid, is the most politically astute and active of his 10 sons. This family, however, derives much of its power and prestige from its position within Hashid. It is also a favorite family of Saudi Arabia, who is quite active in supporting it financially. The members of this family self-identify more as tribesman from Hashid than they do as Zaydis, although it is impossible to be the former without also being the latter. Yemenis often speak of the contest for power between the two families, in a bit of Arabic pun, as a dispute between the two Bayt al-Ahmars.

Shaykh Abdullah al-Ahmar and President Salih were never rivals in the traditional political sense that they were competing for the same constituency or even had the same political goals. Salih's Sanhan tribe is part of the Hashid confederation of which al-Ahmar was the shaykh ma-shaykh, while Salih is President of the republic of which al-Ahmar was a citizen. The two were bound to and dependent on each other in so many various ways that outright rivalry was precluded. Salih always supported al-Ahmar's candidacy for Speaker of Parliament even when his own party put forth a candidate, while al-Ahmar reciprocated by publicly backing Salih's Presidential bids regardless of whether or not Islah put forth a candidate.

Even their names seem designed to confuse outsiders as to their complicated relationship. President Salih came from the village of Bayt al-Ahmar, and many of his prominent relatives and comrades—Ali Muhsin, Muhammad Abdullah and Ali Salih—continued to use al-Ahmar as a surname. For those with little experience in the country the result was an obscure jumble of similar names. Untangling the threads of which al-Ahmar belonged to which family was a task few had patience for.

This delicate balance of power has not been maintained in the wake of al-Ahmar's death, and now the rivalry between the two Bayt al-Ahmars is an open source of conflict in the country. The President has, for the moment, successfully co-opted the two youngest brothers into his security detail, but maintaining such an advantage will be increasingly difficult. In the midst of all this familial bickering the country continues to dissolve into semiautonomous regions and various rebellions.

It would be a mistake to judge the political scene on either electoral results or political affiliation. Neither is an accurate barometer of the political reality. The personalized networks of patronage are a much more accurate means of deciphering political loyalty. Generally speaking, western observers tend to ascribe more importance to political parties than they actually warrant. Instead, it is best to think in terms of power blocs and patronage networks.

II. SECURITY CHALLENGES

A. Al-Qaeda

I will begin with a word of caution: We are long past the point in Yemen of a magic missile solution to the al-Qaeda problem. Al-Qaeda is now too strong and too entrenched to be destroyed like it was in 2002, when the United States assassinated Abu Ali al-Harhi. Lapsed vigilance by both the United States and Yemeni Government allowed al-Qaeda to reorganize and rebuild itself; to essentially resurrect itself up from the ashes of its initial defeat.

Al-Qaeda in Yemen is now stronger than it has ever been in the past and whether it realizes it or not the United States is in a propaganda war in Yemen with al-Qaeda and it is losing and losing badly. Al-Qaeda's narrative—with the notable exception of suicide attacks within the country—is broadly popular in Yemen. It has put itself on the right side of nearly every issue.

At the same time U.S. policy toward Yemen has been a dangerous mixture of ignorance and arrogance. Its continued insistence on seeing the country only through the prism of counterterrorism has induced exactly the type of results it is hoping to avoid. By focusing on al-Qaeda to the exclusion of nearly every other threat and by linking most of its aid to this single issue, the United States has ensured that it will always exist.¹

The First Phase: 2001–2003

Al-Qaeda has regrouped and reorganized itself in Yemen. This is not the result of U.S. successes elsewhere, but rather the result of U.S. and Yemeni failures in Yemen.

There have been two distinct phases of the war against al-Qaeda in Yemen. The first of which ran from October 2000–November 2003, while the second and current phase of the war began in February 2006 with the prison break of 23 al-Qaeda suspects. In between these two phases there was an interlude of a little over 2 years in which it appeared as though al-Qaeda had largely been defeated in Yemen.

But instead of securing the win, both the U.S. and Yemeni Governments treated the victory as absolute, failing to realize that a defeated enemy is not a vanquished one. In effect, al-Qaeda was crossed off both countries' list of priorities and replaced by other, seemingly more pressing concerns. While the threat from al-Qaeda was not necessarily forgotten in 2004 and 2005 it was mostly ignored. This lapse of vigilance by both the United States and Yemen, I believe, is largely responsible for the relative ease that one of Osama bin Laden's former secretaries had in rebuilding al-Qaeda in Yemen in the wake of his escape from prison.

The roots of al-Qaeda's involvement in Yemen predate by nearly a decade the September 11 attacks, but it was only those attacks and the implicit threat of U.S. retaliation that finally compelled the Yemeni Government to take the fight to al-Qaeda operatives in the country. Yemen's initial support for many returning Afghan Arabs, and the refuge it provided them when they were banned from returning to their home countries, eventually took its toll on the country when the USS *Cole* was attacked in October 2000. The attack killed 17 U.S. sailors, and caused insurance rates for the port of Aden to skyrocket, resulting in a diplomatic and economic crisis for the Yemeni Government.

Following the attack on the USS *Cole* in 2000 and particularly after the September 11 attacks in 2001, Yemen went out of its way to demonstrate its support for the war against al-Qaeda. For President Salih and others in the Yemeni Government there was a distinct desire to avoid making the same mistakes it made in 1990 when it served on the U.N. Security Council. Yemen paid a heavy price—both politically and economically—for its failure to support the United States against Iraq in the buildup to the first gulf war.

Motivated by fear and worried that if it did not take serious and significant steps someone else would, the Yemeni Government began arresting anyone it suspected of harboring sympathies for al-Qaeda. Men who had spent time in Afghanistan, particularly those that returned to Yemen in the weeks surrounding the attacks were obvious targets, but the dragnet quickly expanded to include young men deemed to be security threats in governorates across the country. Within months Yemen's jails were full of hundreds of suspects many of whom the government had little if any evidence against. These men were tossed in security prisons with other more experienced fighters who did much to radicalize their younger more impressionable fellow inmates in the shared cells. This problem was largely overlooked at the time—what mattered was the moment and preventing any more immediate attacks—but this short-term solution would be one that would come back to haunt both Yemen and the United States throughout multiple phases of the war against al-Qaeda.

For the Yemeni Government that was the strategy: corral as many people as it could in the hopes that the United States would not attack. It was simple, brutal, and not at all sustainable, but at least in the short term it did exactly what it was designed to: prevent an American attack. In retrospect it seems clear that the United States was never going to strike Yemen, but in those early days no one knew what a wounded and enraged United States was going to do.

The problem for the United States in Yemen is how to separate the al-Qaeda members out from those who only love jihad and work for the establishment of Shari'a law. Because if the United States expands the war to include both—and it is incredibly easy to do so, the extension makes sense even—then it will end up

¹Gregory D. Johnsen, "Welcome to Qaedastan," *Foreign Policy*, January/February 2010. See also: Gregory D. Johnsen, "The Expansion Strategy of al-Qa'ida in the Arabian Peninsula," *CTC Sentinel*, September 2009, pgs. 8–11.

fighting most of the country. It is a dilemma that in the early days of the war was never understood and now, when it is understood, never solved.

The overreaction of governments like Yemen, largely as a result of U.S. pressure, arresting nearly everyone it could link to al-Qaeda, with or without evidence, did not reduce radicalization but had the opposite effect. Young men left Yemen's security prisons more radical than when they were initially incarcerated. Many of these men were prepared for recruitment by their time in prison. The groundwork in numerous cases was not done not by al-Qaeda but rather by the government, which made these men tempting targets when they were eventually released.

During a November 2001 visit to Washington, President Salih made sure that the United States knew what side his country was on. Yemen followed Salih's words with actions, arresting anyone it suspected of harboring sympathy for al-Qaeda. It also worked closely with U.S. intelligence services, coordinating the November 2002 strike on al-Qaeda's head in Yemen, Abu Ali al-Harithi, which was conducted by an unmanned CIA drone.

But this attack was the high-water mark of U.S.-Yemeni cooperation, as a Pentagon leak, destroyed the cover story on which both countries had agreed. The United States, it seems need a victory in the war on terror, and the assassination of an al-Qaeda leader was too good to pass up. Yemen, quite rightly, felt as though it had been sold out to domestic political concerns. Salih paid a high price domestically for allowing the United States to carry out an attack in Yemen, and it took more than a year for the government to publicly admit that it had authorized Washington to act.

The United States was still paying the price for hubris a year later, in November 2003, when Yemen captured Muhammad Hamdi al-Ahdal, al-Harithi's replacement. Instead of being granted direct access to the prisoner, U.S. officials were forced to work through intermediaries. With the group's leadership dead or in jail, its infrastructure largely destroyed and the militants still at large more attracted to the fighting in Iraq than a dying jihad at home, al-Qaeda looked to be largely defeated.

It is probably misleading to talk about al-Qaeda in Yemen from 2001–2003 as if it was a coherent organization. Certainly there were al-Qaeda members in the country and these men had both motivation and weapons but they lacked the infrastructure and leadership to compose the type of fully formed strategy that their colleagues in Saudi Arabia were developing at the same time. In Yemen, al-Qaeda is more accurately described as individuals and groups of individuals, who began reacting against government pressure. The Yemeni Government initiated the fight and al-Qaeda was largely unprepared to carry out the type of campaign that it would need to in order to be successful in Yemen. Its members had to readjust to Yemen's changing environment and organize on the run. The threat they posed at the time was limited; they were able to plan and launch attacks, but these tended to be narrow in scope and scale and impossible to build upon given the lack of any organizational direction. Instead of a sustained campaign of attacks that targeted government and Western interests throughout the country, al-Qaeda operatives were only able to carry out a series of one-off attacks that seemed more worrying than they actually were.

For Yemen, al-Qaeda and Islamic militancy has always been a largely Western problem that affects the country indirectly, but is nowhere near as pressing as the uprising in the north or threats of secession from the south. The latter are security issues that directly threaten the survival of the regime—existential threats—while al-Qaeda, at least in Yemen's calculus, does not.

Throughout 2004, both Yemen and the United States slowly began to act as if the threat from al-Qaeda had been neutralized. Yemen became increasingly more occupied in turning its limited resources toward putting down the Huthi revolt in and around the northern governorate of Sa'dah and implementing bitter economic reforms that led to riots and widespread dissatisfaction. On the U.S. side, there was a lack of clear policy goals. The United States lost interest in the country, as illustrated by aid to Yemen in 2004–2007, and what little attention the United States was paying to the country was directed toward things such as anticorruption reforms and encouraging the country to take steps toward becoming a fully formed democratic republic as part of the Bush administration's attempt to remake the Middle East.

During a November 2005 trip to the United States, Salih was told that the Yemeni Government was being suspended from a U.S. aid program. The suspension shocked Salih, who was under the impression that he was going to be rewarded for Yemen's help in the war against al-Qaeda. Instead he was stung by the loss of \$20 million in aid. The following day, his anger was compounded, when the World Bank told him that it was cutting aid from \$420 to \$280 million. Both cuts were attributed to rampant corruption within the Yemeni Government.

The Second Phase: 2006—Present

Mistakes of policy and vigilance could be concealed when al-Qaeda was largely dormant in the country. But that dynamic changed with the February 2006 prison break, when 23 al-Qaeda suspects tunneled out of their two-room prison cell into a neighboring mosque where they performed the dawn prayers before walking out the front door to freedom.

Among the escapees, were Jamal al-Badawi and Jabir al-Banna both of whom are on U.S. most-wanted lists. Consequently, the United States put a great deal of pressure on Yemen to track both men down. But, as is often the case, it was not the people the United States was worried most about that caused the biggest problems, rather it was those it knew too little about that proved to be the most dangerous.

Instead, of al-Badawi and al-Banna it would be Nasir al-Wahayshi and Qasim al-Raymi that subsequently proved to be problematic. Seven of the original 23 escapees have been killed (including one by U.S. shelling in Somalia), while the rest have either been recaptured or surrendered—although there are some conflicting reports.²

Nasir al-Wahayshi, the current head of al-Qaeda in Yemen, is a 34-year-old Yemeni from the southern government of Abyan. He spent time in one of Yemen's religious institutes before traveling to Afghanistan in the late 1990s, where he eventually became one of Osama bin Laden's assistants. He fought at the battle of Tora Bora before escaping over the border into Iran, where he was eventually arrested and extradited to Yemen in November 2003. His presence along with that of his deputy, Qasim al-Raymi, as the commanders of al-Qaeda illustrate what I think is one of the more worrying factors about the current version of al-Qaeda in Yemen—namely, how representative it is.

Al-Qaeda is the most representative organization in Yemen. It transcends class, tribe, and regional identity in a way that no other organization or political party does. Nasir al-Wahayshi and others within the organization have proven particularly talented at creating a narrative of events that is designed to appeal to a local audience. Something both the United States and Yemen have been incapable of doing. In a sense, both have ceded the field of debate and discussion to al-Qaeda.

Since its reorganization following a February 2006 prison break al-Qaeda in Yemen has went through three phases.

1. Rebuilding in Yemen: 2006–2007.
2. Relevancy in Yemen: 2008 campaign in Yemen.
3. Regional Franchise: 2009.

In each phase, al-Qaeda has publicly articulated its goals and then worked to square its actions with its rhetoric.

2006–2007

Rebuilding the organization in Yemen after years of setbacks and neglect was not easy. The first attack, a dual suicide attack on oil and gas facilities in Marib and Hadramawt on the eve of the 2006 Presidential election did little damage. The mastermind of the attack, Fawaz al-Rabi'i, was killed less than a month later in a shootout with Yemeni security forces. In many ways, al-Rabi'i's death paved the way for one of his fellow escapees, Nasir al-Wahayshi, to assume control of the organization in Yemen.

Al-Wahayshi, who had served as a secretary to Osama bin Laden in Afghanistan, utilized his personal connections to this earlier generation of al-Qaeda leaders to build a following after his escape from prison. In late June 2007, Qasim al-Raymi posted an audiotape to Islamists forums and jihadi chatrooms stating that Nasir al-Wahayshi had been selected as the new amir, or commander, of al-Qaeda in Yemen. The message also served as a warning to the older generation of al-Qaeda militants in Yemen, who had come to a tacit nonaggression pact with the government.³

This agreement, the message stated, was tantamount to a "treasonous alliance with tyrants." The Yemeni Government had managed to convince the militants not that their beliefs are incorrect, but rather that they were hurting their own cause and base of operations by acting violently within the borders of the state.⁴ Days later a second message was released, this time aimed at the Yemeni Government, demanding, among other things, the release of al-Qaeda members in Yemeni prisons. The message also pledged revenge against those responsible for the assassination of al-Harithi in 2002. Already, in March 2007, al-Qaeda had assassinated Ali

²Gregory D. Johnsen, "Tracking Yemen's 23 Escaped Jihadi Operatives—Parts I and II," Jamestown Foundation, September 27 and October 11, 2007.

³Gregory D. Johnsen and Brian O'Neill, "Yemen Attacks Reveals Struggle Among al-Qaeda's Ranks," *Terrorism Focus*, 4 (22) July 10, 2007.

⁴Kathy Gannon, "Yemen Employs New Terror Approach," Associated Press, July 4, 2007.

Mahmud al-Qasaylah, the Chief Criminal Investigator in Marib, for his alleged role in the assassination.⁵

Less than 2 weeks after al-Raymi's first message, on July 2, al-Qaeda struck again. This time a suicide bomber attacked a tourist convoy in Marib, killing 8 Spanish tourists and two Yemeni drivers. One month later, on August 4, Yemeni special forces launched an early morning raid on an al-Qaeda safe house in the Marib and al-Jawf border region, killing four al-Qaeda militants, including one suicide bomber in training. The other three men had been implicated in both the assassination of al-Qasaylah and the attack on the Spanish tourists.⁶ Publicly al-Qaeda reacted to the strike with silence, but privately it was working under al-Wahayshi's leadership to rebuild and plan for the future.

2008

In January 2008, it released the first issue of "Sada al-Malahim" (The Echo of Battles), its bimonthly online journal. Once again, the public release was followed within days by another attack, this time on group of Belgian tourists in Hadramawt, which left two of them dead along with two Yemeni drivers.⁷ Little more than a month later, on February 24, a previously unknown group calling itself The al-Qaeda Organization of Jihad in the Arabian Peninsula: The Soldiers Brigades of Yemen released a one-page statement on al-Ikhlās, a prominent password-protected jihadi forum, taking credit for the attack on the Belgian tourists as well as the assassination of Qasaylah and the suicide attack on the Spanish tourists.⁸

Initially, some intelligence officers in Yemen thought the group was a fiction that existed only on the Internet to steal credit from al-Wahayshi's group. Other Western analysts hypothesized that the Soldiers Brigades of Yemen had split from al-Wahayshi's group over strategic differences.⁹ Both were wrong.

Over the course of the spring and summer of 2008 it emerged that the Soldiers Brigades of Yemen were merely a semiautonomous group of cells with some operational independence under the direct control of Hamza al-Qu'ayti, while still maintaining its allegiance to al-Wahayshi.¹⁰

In March 2008, al-Qaeda in Yemen released the second issue of "Sada al-Malahim." This issue, like the previous one, included a number of articles and interviews, but it also announced that the organization was changing its name from al-Qaeda in Yemen to the al-Qaeda Organization of Jihad in the South of the Arabian Peninsula.

A statement of responsibility posted to al-Ikhlās followed all of the attacks during the 2008 campaign, many of which were minor. On 23 July 2008, the Soldiers Brigades of Yemen posted an audiotape to al-Ikhlās threatening more attacks if al-Qaeda prisoners in Yemen's al-Mansurah prison in Aden were not released. The speaker on the tape identified himself as Hamza al-Qu'ayti. Two days later, he made good on his threat when a suicide bomber attacked a military compound in Sa'yyun. Yemen responded weeks later when, acting on a tip from a local resident, it surrounded a suspected al-Qaeda safe house in Tarim. The ensuing shootout resulted in the deaths of five al-Qaeda members, including al-Qu'ayti, and the arrest of two others. The raid was widely seen as a much-needed victory for Yemen. It claimed that with al-Qu'ayti's death it had killed the mastermind of the attacks that had been plaguing Yemen since the February 2006 prison break. To some degree, both the United States and the United Kingdom bought this story, as both relaxed travel restrictions to the country. Unfortunately, all three governments overlooked the localized nature of al-Qu'ayti's cell, which should have suggested a diffusion of strength for al-Qaeda in Yemen. Five members of the cell were from al-Mukalla, while the other two came from the neighboring towns of Shabwa and al-Qatin.

⁵Gregory D. Johnsen "Is al-Qaeda in Yemen Regrouping?" *Terrorism Focus*, 4 (15) May 22, 2007.

⁶Gregory D. Johnsen "Yemen Faces Second Generation of Islamist Militants," *Terrorism Focus* 4 (27) August 14, 2007.

⁷Gregory D. Johnsen, "Al-Qaeda in Yemen's 2008 Campaign," *CTC Sentinel*, April 2008, pgs. 1-4. See also: Gregory D. Johnsen, "Attacks on Oil Industry are First Priority for al-Qaeda in Yemen," *Terrorism Focus* 5 (15) February 5, 2008.

⁸*Ibid*; see also: The Soldiers Brigades of Yemen, "Statement 1" www.al-ekhlaas.net, February 24, 2008. Al-Ikhlās, of course, was hacked on September 10, 2007, and its archives are now unavailable. I do, however, have hard copies of all 13 of the Soldiers Brigades of Yemen's statements.

⁹This theory of the split has been most forcefully expressed by Nicole Strake of the Gulf Research Center. See, for example, Nicole Strake, "Al-Qaeda in Yemen Divided but Dangerous," *The Peninsula*, June 2008.

¹⁰Gregory D. Johnsen, "Assessing the Strength of al-Qa'ida in Yemen," *CTC Sentinel*, November 2008, pgs. 10-13.

Al-Qaeda responded on September 17, which corresponded to Ramadan 17 the anniversary of the Battle of Badr, with an attack on the U.S. Embassy in San'a, killing at least 19 people including the 7 attackers. Following the attacks, issues five and six of "Sada al-Malahim" were released.¹¹ Both issues, but particularly issue six, show a strong Saudi influence and a marked increase in the quality of the religious scholarship in the journal. In my view, al-Qaeda in Yemen was the beneficiary of an influx of Saudi talent. In issue six it also began soliciting questions from its readership to which it said it would respond with fatawa (religious opinions) from its Shariah Committee. (Despite issuing some fatawa, it has since discontinued this practice.) This is a major mile marker along the organization's road to maturity. The journal also began to show itself adept at tapping into domestic Yemeni concerns, and using these to enhance its reputation as a truly representative movement with members from all regions and segments of society.

2009

In January 2009, the group announced that the Yemeni and Saudi branches of al-Qaeda were merging to form a single, unified organization to be known as AQAP. This merger, which effectively transformed al-Qaeda from a local chapter to a regional franchise, indicated the organization's desire for regional reach.

In many ways this new regional organization, which goes by the name al-Qaeda in the Arabian Peninsula, was indicative of al-Wahayshi's growing ambition. Throughout the first couple of years of his leadership—2007 and 2008—he worked hard to create a durable organizational infrastructure that could survive the loss of key commanders, which is why even though someone like Hamza al-Qu'ayti was killed in August 2008, al-Qaeda was still able to launch an attack on the U.S. Embassy only a month later.

The Christmas day attempt was the logical extension of AQAP's ambitions to date, but one that few believed the group to be capable of at the time. AQAP and its predecessor, al-Qaeda in Yemen, have quickly moved through the stages of development in their bid to be capable of such an attack. The attempt also illustrates the extent to which Nasir al-Wahayshi, the current amir of AQAP, has modeled not only his own leadership style on that of Osama bin Laden, his former boss, but also fashioned his organization's goals on the template constructed by bin Laden in Afghanistan.

Throughout 2009, AQAP carried out a number of attacks that illustrated the group's growing ambition and capabilities. In March, it dispatched a suicide bomber who killed South Korean tourists in Hadramawt. Days later it struck again, attacking a convoy of South Korean officials sent to investigate the attack. Later that summer, in August, the group launched one of its most ingenious attacks, an attempted assassination of Saudi Arabia's counterterrorism chief and Deputy Minister of the Interior, Muhammad bin Nayif. The bomber, Abdullah Asiri, reportedly hid PETN explosives in his rectum as a way to avoid detection. That attack, of course, was eerily echoed by Abdumutallab's attempt on Christmas Day.¹²

AQAP learned from this initial failure with PETN. Many analysts believe that the reason Asiri's attempt was unsuccessful was that his body absorbed the majority of the blast—something the gruesome pictures of the bomb's aftermath also illustrate—which is why Abdumutalab hid the explosives in his underwear instead of inside his body.

Saudi Arabia dodged another major strike in October 2009, when a roving police checkpoint stumbled across an al-Qaeda cell. The three al-Qaeda members had already made their way across the border into Saudi Arabia from Yemen when their Chevy Suburban was stopped at a checkpoint. One was driving and the other two were disguised as women in the back seat. The Saudi police unit had a female officer accompanying them and when she approached the car to inspect the women's identity the two individuals in the backseat—Ra'id al-Harbi and Yusif al-Shihri, a former Guantanamo Bay detainee and the brother-in-law of Said al-Shihri, AQAP's deputy commander—opened fire. Both men were killed in the fighting while the driver was arrested and interrogated. His confessions led Saudi authorities to a number of other al-Qaeda operatives in the country.

In the shadowy world of intelligence analysis too much often has to be pieced together from too little evidence, but the above account appears to be confirmed by

¹¹The two issues appear to have been released together due to the loss of al-Ikhlās as a forum. When al-Ikhlās went down on September 10, there was already a banner ad teasing the upcoming release of issue five of Sada al-Malahim. Following the loss of al-Ikhlās it took al-Qaeda in Yemen another couple of months to regroup before it was able to publish both issue five and six on al-Falaja.net, with a short note apologizing for "technical difficulties."

¹²Gregory D. Johnsen "AQAP in Yemen and the Christmas Day Attack," CTC Sentinel (Special Yemen Issue) January 2010, pgs. 1–4.

the release of al-Harbi and al-Shihri's wills by AQAP in December 2009. The wills, which were recorded before the pair traveled to Saudi Arabia, appear to indicate that the pair was on a suicide mission.

Shortly after the wills were released online, the United States and Yemen coordinate a trio of strikes against al-Qaeda targets in Yemen. It is still unclear what role the United States played in the strikes but, according to the *New York Times*, it was intimately involved in the operations.¹³ One target was reportedly an al-Qaeda training camp in the southern governorate of Abyan, although others have disputed that characterization. That raid, which likely involved U.S. firepower, killed a number of individuals, including al-Qaeda suspects as well as a number of women and children. The casualty numbers vary widely depending on the source, but Deputy Prime Minister for Defense and Security Affairs, Rashid al-Alimi told Members of Parliament on December 23 that an investigation was being conducted into the deaths of civilians.

It is debatable whether the civilian casualties could have been justified if the United States and Yemeni Governments had killed al-Raymi—I would still argue they wouldn't and that it is a self-defeating strategy that expands rather than limits the al-Qaeda threat in Yemen, but I do concede there is a debate here—but I don't think the casualties can be justified if al-Raymi escaped. There are already a slew of pictures of dead children, mangled infants and corpses on jihadi forums. This is not something the Obama administration wants to see underlined with a "Made in the USA" caption.

Yemeni forces also conducted raids on two other al-Qaeda hideouts in and around San'a on December 17. In San'a, they arrested 14 individuals they accused of providing material assistance to al-Qaeda. Northeast of the capital in the Arhab tribal region, Yemeni counterterrorism forces raided a suspected al-Qaeda safe house. The raid resulted in the deaths of three al-Qaeda suspects, including a former Guantanamo Bay detainee, Hani al-Sha'lan.¹⁴ But the target of the raid, Qasim al-Raymi, escaped the government's siege along with a fellow al-Qaeda suspect Hizam Mujali.

Days later, on December 21, an al-Qaeda member later identified as Muhammad Salih al-Awlaqi returned to the scene of the strike in Abyan and gave a short, impromptu speech to a rally protesting the attack that Al Jazeera caught on video.

Fighter planes, apparently acting on U.S. intelligence, tracked al-Awlaqi back to his tribal region in Shabwa and attacked a position where he was believed to be hiding on December 22. The initial bombing raid was unsuccessful, but 2 days later another strike on the same position succeeded in killing al-Awlaqi as well as a handful of other al-Qaeda suspects. Subsequent rumors that the target of the attack was a leadership meeting between Nasir al-Wahayshi, Said Ali al-Shihri and Anwar al-Awlaqi appear to be unfounded and none of the three are believed to be dead.

The next day, of course, Umar Faruq Abdumutallab attempted to bring down a plane over Detroit. The subsequent statement released by AQAP on December 28 claimed that the attempt was in retaliation for the week of strikes, which it claimed were the carried out by United States with Cruise missiles, but the chronology of Abdumutallab's travel make this more propaganda than fact.

There is still much that is not known about Abdumutallab's time in Yemen. Not only where he went and who he spent time with but also whether he was a sort of trial balloon for AQAP or just the first of several bombers. For AQAP this was a relatively low-cost and low-risk operation. It did not send one of its own members, but rather someone who sought the group out and who was, from an organizational perspective, dispensable. One thing that may help shed some light on this subject is whether or not Abdumutallab recorded a will that he left with AQAP leaders in Yemen. But even if he did it is doubtful that the organization would release it given his failed attempt.

AQAP has always welcomed attacks on U.S. interests anywhere in the world, but this was the first time the organization attempted to carry out an attack outside of the Arabian Peninsula. Even in the statement put out by AQAP claiming credit for the failed attack it focused on "expelling the infidels from the Arabian Peninsula," the group's stated *raison d'être*. Although it did raise the rhetoric slightly, calling for "total war on all Crusaders in the peninsula."

What this means for the future of the group is still far from clear. But one worry is that the reaction that the United States has had to the unsuccessful attack may induce AQAP to devote more time and resources to similar attempts in the future. This, however, is largely dependent on the group's resources. Certainly there are

¹³David E. Sanger and Eric Schmitt, "Threats Led to Embassy Closings, Officials Say" *New York Times*, January 3, 2010.

¹⁴"Security Report Discusses the Details of Operations Targeting al-Qaeda," (Arabic) Mareb Press, December 27, 2009.

talented and innovative individuals working within the organization in Yemen and these tend to attract motivated students and recruits. This should be a cause for concern.

The only thing that is known with any degree of certainty at this date is that the attempted Christmas demonstrates that AQAP's imagination matches its ambitions. Yemen responded by carrying out a strike on January 15, 2010, on two vehicles, which were believed to be carrying eight al-Qaeda suspects, including Qasim al-Raymi. Initially, the Yemeni Government reported that it had killed six of the militants, including al-Raymi, but a statement put out by AQAP on January 17 said that none of its members were killed although some had been wounded. AQAP version was corroborated by local press reports that claimed the AQAP fighters held a "Thanksgiving" dinner in Marib to celebrate escaping the strike.¹⁵

The AQAP statement from January 17, in addition to warning people not to trust the Yemeni Government, also hinted at a major strike to come. This warning has also been expressed by Abdillah Haydar Shaya, a Yemeni journalist with good contacts within AQAP.¹⁶ The response, he says, will be an operation and not a statement. This is, of course, classic jihadi rhetoric—the proof will be in what you see and not what you hear—and for those with a long memory or who have been following Yemen for more than just the past 3 weeks this should sound eerily similar to what AQ in the South of the Arabian Peninsula (one of the precursors to the current organization) said after the death of Hamza al-Qu'ayti and four others in Tarim in August 2008. Of course, in September 2008 there was an attack on the U.S. Embassy in San'a.

It is clear, at least to me, that al-Qaeda in Yemen is stronger now than it has ever been in the past. The organization is attracting more recruits than ever before and is growing increasingly more skilled at utilizing these new members.

This is not to say that Yemen is in danger of falling to al-Qaeda or anything of that sort. Instead, as Yemen grows weaker and as government power recedes further and further back into urban areas, this opens up a great deal of space in which al-Qaeda can operate. In the first phase of the war against al-Qaeda, Yemen and the United States were working in concert and al-Qaeda was the top priority for both countries. This is no longer the case.

Yemen is now preoccupied with the increasingly violent calls for secession from the south, threats of renewed fighting in the north and, most importantly, a faltering economy that makes traditional modes of governance nearly impossible. Al-Qaeda has learned that the more chaotic Yemen is the better it is for al-Qaeda. And Yemen is in extremely bad shape.

Let me conclude with a couple of observations about the differences between the first phase of the war and the second phase. For al-Qaeda, the first phase was largely a reactionary one. The Yemeni Government cracked down on al-Qaeda in the country; in many ways it initiated the fight. Al-Qaeda was largely unprepared to carry out the type of campaign that it would need to in order to be successful in Yemen. It had to organize on the run. This is no longer the case. The organization that al-Wahayshi is commanding, was built for exactly this type of war and now al-Qaeda is the one initiating the fight. Al-Qaeda learned some difficult lessons from the first phase of the war, while the United States and Yemen seem more prepared to fight the enemy al-Qaeda was rather than the one that it has become.

B. Al-Huthi Conflict

Background

There are three minority Shia sects in Yemen. The first and largest is known as the Zaydis, or Fiver Shia. Isma'ilis, or Seveners, and Twelver Shia, which is close to the type of Shi'ism practiced in Iran and Iraq, also exist in the country. The latter two groups are both numerically and politically negligible.

The Zaydis, however, have a long and robust political tradition in Yemen, dating back to 893 when Yahya bin Husayn, or Imam Hadi ila al-haqq, first arrived in northern Yemen. Initially, he was summoned to act as an arbiter in a tribal conflict. But eventually, following his second trip to Yemen in 897, he established himself as the imam with his headquarters in the northern city of Sa'dah, which remains a Zaydi stronghold today.¹⁷ The political and religious office that he instituted in

¹⁵ "Al-Qaeda Holds a Banquet in Marib," (Arabic) Mareb Press, January 17, 2010.

¹⁶ "Aidh al-Shabwani Present at Banquet," (Arabic) News Yemen, January 17, 2010.

¹⁷ For more on the early history of the Zaydi Imamate in Yemen see Paul Dresch, "Tribes Government and History in Yemen" (New York, Oxford University Press, 1993) 167–173; also see Ali bin Muhammad al-Alawi, "Biography of al-Hadi ila al-haqq: Yahya bin Husayn" (Arabic) (Beirut, Dar al-Fikr, 1981, 2nd edition).

Yemen would survive, in various forms, until the 1962 revolution and the subsequent 8-year civil war in north Yemen. The civil war, which began as a palace coup, overthrew Muhammad al-Badr, the final imam of the Hamid al-Din dynasty in north Yemen.

Following the bloodless coup that ousted the republic's first President in 1967, Abd al-Rahman al-Iryani was named President. Al-Iryani was largely seen as a compromise figure. His village straddled what was understood to be the border between the Zaydi highlands and the Shafi'i lowlands, northern Yemen's two largest sects. The Shafi'is are, of course, a Sunni sect, but the difference between Sunni and Shia in Yemen is not as great as elsewhere. Much of this is the result of historical compromise. In the 18th century, Muhammad al-Shawkani, a Yemeni jurist, did much to incorporate Sunni teachings into the practice of Zaydism.¹⁸ Some scholars even refer to Zaydism as the "fifth school of Sunni Islam."¹⁹

President Ali Abdullah Salih, the late Shaykh Abdullah al-Ahmar, Ali Muhsin al-Ahmar and numerous other leading figures of contemporary Yemen are of Zaydi origins. Even Shaykh Abd al-Majid al-Zindani, who was designated a "specially designated global terrorist" by the United States in 2004, is a scion of a Zaydi family.²⁰ But this identity is one of culture and tradition rather than a political allegiance. Relatively few Zaydis in contemporary Yemen identify as specifically Shia.²¹ Instead, a key distinction is between Hashimis, or descendants of the prophet, and non-Hashimis.²² In post-revolutionary Yemen, the Hashimis have been largely excluded from power and many influential figures such as the late Qadi Ismail al-Akwa were actively anti-Hashimi.

Following the 1990 unification of the YAR and PDRY, known more colloquially as North and South Yemen respectively, a number of Zaydis formed a political party, Hizb al-Haqq. The party's charter adhered to the constitution at the expense of traditional Zaydi theology, acknowledging the President as the legitimate ruler of the country as opposed to an imam. Several influential Zaydi scholars, such as Badr al-Din al-Huthi refused to sign the document. Some of al-Huthi's sons did, however, serve terms in Yemen's Parliament, including Husayn Badr al-Din al-Huthi, who was elected in 1993 as a member of Hizb al-Haqq. But Husayn refused to seek a second term in 1997, deciding instead to dedicate himself to the defense of Zaydism in and around Sa'dah.

President Salih has long favored a divide-and-rule approach to governing, playing different factions off against one another, as a way of keeping potential opposition groups perpetually dependent. This style of ruling has led to numerous difficulties as particular groups are encouraged and then subsequently discouraged and oppressed when they are deemed to have grown too powerful. More specifically, in the governorate of Sa'dah the government has long been both encouraging Wahhabi-like groups and allowing Saudi Arabia to fund these same groups against the more historical Zaydi power base within the region, although at times the government has also supported Zaydi groups against the Wahhabis. The clashes between these two sides were on-going throughout the 1990s, as Wahhabis destroyed Zaydi tombs and Zaydis retaliated.²³

The Huthi Rebellion

Finally, in 2004 the conflict went beyond periodic clashes between paramilitary forces on both sides and became an open war between the government and its Wahhabi/Salafi allies against a group of Zaydis that became known as the Huthi's, after the name of their leader Husayn Badr al-Din al-Huthi. The spark came in late June 2004, when the government overreached and attempted to arrest Husayn al-Huthi. Some reports date the beginning of the conflict to January 2003, when President Salih was implicitly criticized by members of a Zaydi group known as the Shabab al-Mu'minin, or The Believing Youth.²⁴ Whatever the case, and each date has a precursor going back to 1962, fighting began after the failed attempt to arrest Husayn al-Huthi.

¹⁸ Bernard Haykel, "Revival and Reform in Islam: The Legacy of Muhammad al-Shawkani" (New York, Cambridge University Press, 2003).

¹⁹ J. Leigh Douglas, "The Free Yemeni Movement 1935-1962" (Beirut, American University of Beirut, 1987) 7.

²⁰ Gregory D. Johnsen, al-Zindani, Abd al-Majid, "Biographical Encyclopedia of the Modern Middle East" (Farmington Hills, MI, Thomson Gale, 2007).

²¹ International Crisis Group, "Yemen: Defusing the Saada Time Bomb," May 27, 2009, 7.

²² In order to rule as an imam in Zaydi theology one must meet 14 different criteria, including descent from the prophet through Ali and Fatima.

²³ Bernard Haykel, "A Zaydi Revival?", Yemen Update, No. 36, 1995.

²⁴ International Crisis Group, "Defusing the Saada Time Bomb," 3.

Since then there have been six separate rounds of fighting between government forces and its local allies against the Huthis. According to one well-informed report, the conflict has “evolved significantly since 2004,” as numerous tribes have been brought into the increasingly murky conflict, which has grown to include a number of local and diverse grievances against the government.²⁵ The tentative cease-fire that was declared unilaterally by President Salih in July 2008 held until August 2009, when the government launched “Operation Scorched Earth.”

On November 4, 2009 the war spilled over the border into Saudi Arabia. Like much of the conflict, the initial clashes that left at least one Saudi soldier and one Huthi fighter dead are clouded in conflicting and contradictory reports. The Huthis claim that they were responding to repeated strikes by the Yemeni military, which was using Saudi territory as a rear base to launch flanking maneuvers into Sa’dah. Saudi Arabia, in turn, argued that it was retaliating against incursions by foreign rebels. Both sides maintain that the other fired first.

Whatever the sequence of events, the result was the same. Saudi Arabia deployed a number of troops to its southern border and launched air and ground assaults on pockets of Huthi fighters, purportedly to drive them back across the border. These clashes are still ongoing.

The latest round of fighting was sparked, at least in part, by the government’s concern that its previous failures to put down the rebellion was emboldening calls for secession in the south. This desire to strike a decisive knockout blow has led to some of the fiercest fighting to date, with the government launching daily bombing raids on suspected Huthi targets.

Throughout the conflict the government has alleged that the Huthis are receiving support from Shia throughout the Middle East but particularly from Iran and Hezbollah. The government has also attempted to link the Huthis both to al-Qaeda and to southern secessionists in Yemen, which has called into question the veracity of much of its allegations. For its part, the Huthis have made similar fanciful claims in what amounts to a list of alleged actors that is as exhaustive as it is imaginative.

Part of the problem is that the Yemeni Government has learned that in order to be considered a priority it must link its domestic problems to larger regional and western security concerns. Toward this end, Yemen has deliberately confused al-Huthi supporters with those of al-Qaeda, blurring the lines between the two groups by including members of both on a single list of “terrorists.” This tactic, it believes, will allow it to pursue the war against the Huthis under the guise of striking at al-Qaeda.

It has also attempted to tap into Saudi fears of a rising Shia threat on its southern border, playing up the Huthis’ alleged international connections as well as obfuscating the traditional differences between Zaydism and twelver Shi’ism. But it has yet to provide any firm evidence of direct Iranian support. Instead, the war in Sa’dah is rapidly becoming just one more stick for Iran and Saudi Arabia to beat each other over the head with. The Iranian-Saudi Arabian dispute is a regional rivalry that is being grafted onto a war with local roots.

There is, as more than 5 years of fighting have made clear, no military solution to the conflict. Even Saudi Arabia’s direct involvement will prolong rather than shorten the war. Already its influence has significantly altered the complexion of the conflict, as some Yemenis are privately expressing their desire to see Saudi Arabia get a bloody nose in Sa’dah.

The Huthis

The Huthis have often couched its rhetoric in anti-Western/anti-Israeli slogans. For instance, one of the most common slogans is “death to America, death to Israel.” But this rhetoric should not suggest that the group is actively anti-Western, as it has not carried out any anti-Western attacks, despite support for the Huthis within San’a. Instead, it appears that the group is using popular frustration against U.S. and Israeli policies in the Middle East to both engender local support and to implicitly criticize President Salih who is an ally of the United States and by extension, according to the local logic, also an ally of Israel.

It would also be a mistake to suggest that the organization is primarily an anti-Sunni one, even though the vast majority of its opponents are Sunnis of the Salafi variety. It is not interested in attacking Sunni groups outside of the Sa’dah governorate that are not involved in the current conflict. Nor has the group demonstrated a desire to involve itself in the current crises in the south over calls for secession. Abd al-Malik al-Huthi, the current military leader, had his office put out a statement in May distancing the Huthis from the “Southern Movement” following comments by Tariq al-Fadhli, suggesting that the regime was oppressing the people

²⁵ Ibid, 5.

of Sa'dah in an interview with al-Sharq al-Awsat.²⁶ Al-Fadhli fought in Afghanistan with Usama bin Ladin in the 1980s, suffering a wound during the Siege of Jalalabad. He later led a group of Afghan Arabs in a war of attrition against the Yemeni Socialist Party (YSP) in and around his family's lands in the southern governorate of Abyan. His sister is married to Ali Muhsin al-Ahmar, the commander of the 1st Armored Division and the North West military quadrant. Al-Ahmar, who is not related to the Hashidi family of the same name, is the military commander directing the war in Sa'dah.²⁷

The Huthis have also expressed little interest in combating other Shia groups. Rather, it is more accurate to describe the Huthis as a defensive group, which believes its heritage is being eroded by an alliance between the Yemeni Government and Saudi-backed Salafi groups in and around Sa'dah. This understanding of the organization's motives helps to explain why it has acted the way it has, attacking local Salafi centers and striking at government forces. Despite the theological rhetoric and references on all sides, the Huthis are primarily a group driven by the local politics of Sa'dah. It believes the government has sided with its Salafi enemies against it, and as such the Huthis have evolved into a local antiregime organization.

The Huthis are a Zaydi/Hashimi movement, although this classification should not suggest that the movement wants to restore the office of the imamate as it existed in Yemen prior to the 1962 coup d'etat and the subsequent civil war. Badr al-Din al-Huthi has denied that the Huthis are seeking the reestablishment of the imamate on several occasions.²⁸ Despite these denials, the allegations persist thanks in large part to the government's continued insistence that this goal is at the heart of the conflict. In this way, the government has been able to portray the war as one in which it is seeking to preserve the republic against domestic enemies that wish to see Yemen return to an Imamate. This is a particularly loaded charge in Yemen, as most local histories resort to hyperbole when discussing the differences between the imamate and the republic.

The government's accusations are often reported as fact in both the local press as well as in early histories of the conflict. For instance, one well-respected Yemeni historian, Abd al-Aziz Qaid al-Masudi, writes that both Husayn and Badr al-Din named themselves Imam.²⁹

The tactics employed by the Huthis have remained fairly constant since the beginning of the conflict. The group typically employs ambushes aimed at the Yemeni military or its local allies and at times it has reportedly used land mines and checkpoints as a way of gaining control of territory in Sa'dah. It has also, at times, resorted to assassinating military officials and kidnapping or capturing government soldiers.

The Huthis' strategy has always been, at least in its own eyes, one of self-defense and survival. The Huthis see themselves as a community under attack, and this understanding has largely influenced the group's decision to engage in violence against the Yemeni Government and its Salafi allies as well as against the different tribal and paramilitary forces that have been brought into the fighting. In 1995, Bernard Haykel identified the roots of the conflict, writing: "The main issue of concern in all of these works was the preservation of the Zaydi-Yemeni heritage from extinction because of the onslaught of a proselytizing Wahhabi movement in such traditional Zaydi provinces as Sa'dah and the Jawf combined with neglect and opposition to Zaydi concerns and issues by the government in San'a."³⁰ These historical grievances and anxieties over extinction have evolved as the conflict has expanded and mutated since it began in 2004.

The protracted nature of the war has also led to evolving justifications for the continuation of the conflict. The war has spread well beyond the core group of Zaydi and Hashimi purists who supported Husayn al-Huthi in 2004 to include a number of different tribesmen, who are responding to government destruction of crops, land and homes. Much of this destruction was presumably unintentional, but government shelling throughout the war has often been indiscriminate. This means that what was once a three-sided conflict between the government its Salafi allies and the Huthis has become much more complex. Now, tribesmen and other interest groups have been brought into the fighting on the side of the Huthis not out of any adherence to Zaydi theology or doctrine but rather as a response to government over-

²⁶ Arafat Madabish, "Tariq al-Fadhli to al-Sharq al-Awsat," (Arabic) al-Sharq al-Awsat, May 14, 2009.

²⁷ "Salih and the Yemeni Succession," Jane's Intelligence Digest, August 29, 2008.

²⁸ Jamal 'Amar, "Interview with Badr al-Din al-Huthi," (Arabic) al-Wasat, March 19, 2005.

²⁹ Abd al-Aziz Qaid al-Masudi, "The Formation of Zaydi Thought in Contemporary Yemen," (Arabic) (Cairo, Makatba Madbuli, 2008) 486.

³⁰ Haykel, "A Zaydi Revival?"

reaching and military mistakes. In effect, after six rounds of fighting, the government's various military campaigns have created more enemies than it had when the conflict began. Saudi Arabia's military campaign against the Huthis has also served to expand and deepen the conflict.

The sporadic clashes have, at times, been the result of government pressure to close local Zaydi schools while at other times these are tribal conflicts that are mistakenly reported as being directly related to the Huthi conflict. Unfortunately, the expanding nature of the war and the various actors now involved make differentiating between the two increasingly difficult. The government's continued ban on journalists and researchers traveling to Sa'dah has also contributed to much of this confusion.

The Huthis operate much differently from Yemen's local al-Qaeda franchise, AQAP. The latter control little territory within the borders of the state, while the Huthis have managed to gain control of significant amounts of territory in and around Sa'dah. AQAP is the most representative group or party in Yemen, including individuals from nearly every region and social class in the country. The Huthis, on the other hand, are largely limited to self-identifying Zaydis, who see themselves under attack. But this is changing as the fighting continues and as more and more tribes are brought into the conflict on both sides. The kidnapping of a busload of doctors in June 2009 is evidence of this.³¹

In this case, there is a strong correlation to the growing strength and proselytizing nature of a Salafi/Wahhabi movement in and around Sa'dah and the emergence of a militant Zaydi movement. The Yemeni Government has long supported the Salafis in Sa'dah against local Zaydi groups—although at times this support has been reversed—both as a way of keeping opposition groups weak and as a part of an unofficial anti-Hashimi stance by successive republican regimes.

III: FOUNDATIONAL CHALLENGES

If significant changes are not enacted in the coming years the state could very easily collapse, fragment, or see its power recede back to small urban pockets. This would be catastrophic not only for Yemen but for the Middle East and the international community as a whole. An unstable and chaotic Yemen would present numerous security challenges to regional and global powers, in addition to the humanitarian and economic issues that would inevitably accompany such a scenario.

The two most pressing challenges that Yemen will have to deal with in the coming years are the loss of oil reserves and the depletion of its water table. The loss of these two resources will affect nearly every other sector of the economy and will coincide with a change in the country's political leadership. Compounding the situation is the fact that each challenge will affect other areas. For example, corruption will affect infrastructure, foreign investment, and unemployment, while illiteracy affects the birth rate and unemployment. Yemen will not have the luxury of dealing with each of these challenges independently of the others. It will be forced to face them as a group, which will further tax government resources beyond their capacity and make understanding and overcoming each individual problem more difficult. As the challenges become more pronounced the rate of collapse will intensify, making confronting these issues increasingly more complex for a government that appears to lack the political will and legitimacy to adequately address them. These challenges will all make fostering reform and democracy—let alone maintaining stability—an even more tedious and difficult task for foreign donors than it has been up to this point.

The Loss of Oil and Water

Yemen's economy is largely based upon oil exports, which account for roughly 75 percent of the estimated \$5.6 billion budget and 90 percent of the country's exports. Oil production declined by 5.9 percent in 2004 and by 4.7 percent in 2005. Early numbers for 2006, suggest that production has declined still further to a daily output of 368,000 bpd, which is a reduction of 25,000 bpd from 2005.³² Most observers project that the country's oil reserves will be exhausted within 5 to 7 years at current rates of production, but if production is slowly eased back, which appears to be happening, Yemen could continue to export oil for another 10 to 12 years. Some within the Yemeni Government cling to the idea that further exploration could yield untapped new fields, but oil companies and most within the government consider the chances of this to be remote.

³¹ Ahmad al-Hajj, "Yemeni Tribesmen Kidnap Medics," Associated Press, June 11, 2009.

³² See, for example, The Economist Intelligence Unit, "Yemen: Country Report," November 2005 and February 2007.

Combine the loss of oil revenue with the depletion of Yemen's groundwater table, which is shrinking by as much as eight meters per year in some areas, and the potential for disaster is great. Per capita water supply in Yemen is roughly 2 percent of the world's average, which has had a devastating effect on the country's agriculture industries. More than half of the labor force works in agriculture but most of this is in small, subsistence level farming.³³ This group has been hit hard not only by the reduction in water but also by the lifting of diesel subsidies, which is mostly used to fuel small water pumps. The cost of getting what little is left out of the ground has increased as well, making the situation more complex and difficult to manage than is usually assumed.

This has had a real impact on the economy as Yemen, which was once a net exporter of grain, now imports 80 percent of its grain. Some suggest that the lifting of subsidies on diesel and fuel has the benefit of encouraging conservation. This is true to a certain extent, as a great deal of the country's precious water is wasted through mismanagement, but conservation is not itself a feasible solution to Yemen's water crisis. At best, it is a short-term stop-gap measure that will inevitably drive more Yemenis into poverty, and increase the demand for the state's already over-taxed resources.

San'a is often predicted to be the first capital city in the world to run out of water, but the problem is even more acute in other parts of the country where families are dependent on the generosity of tribal shaykhs or neighborhood leaders. These men often purchase water for local constituents from private water companies that many have turned to in order to meet the needs of daily life. This has caused erosion in loyalty for the state, which aggravates tensions against an already brittle government. The loss of revenue from oil will in turn affect nearly every other segment of the country's economy, making it impossible for the government to continue to function at current levels of spending. This will undoubtedly create a greater strain on the infrastructure and lead to higher levels of unemployment and pervasive corruption. Yemen's current plans to diversify the economy away from oil are at once overly ambitious and completely inadequate. The Strategic Vision 2025 report lists both the fisheries and tourism industries as promising areas that can help ease the loss of oil revenues. But these are small steps that will come nowhere near making up for the loss of 90 percent of government revenue. The state currently lacks the security infrastructure to make tourism appealing to any but the most daring travelers, and repeated kidnappings will continue to dampen even these tourists. Terrorist attacks such as the Marib bombing in July 2007 and the one on the Belgian tourists in early 2008, will also take its toll on a fragile industry. Attempts to funnel rural migrants away from San'a and towards the coasts, as was mentioned earlier, will likely fail. Yemen is without the infrastructure to produce, package and ship fisheries' products on a large scale. Even if both of these areas were completely successful it is highly doubtful that they would produce the 50 percent growth in nonoil GDP over the next 5 years that Yemen needs if it is to keep pace with plans it has produced.

The Economy

The loss of oil and water will also exacerbate preexisting economic problems that Yemen has yet to adequately address. There are a number of serious economic problems, of which the most pressing are: corruption, shadow employees, lack of investment, unemployment, poverty, illiteracy, population growth, and infrastructure. These challenges will affect one another in profound ways that are not completely knowable at this time. But it is highly likely that these will coalesce in a manner that will make the combination of these problems a much more complex and pressing situation to handle than any one issue. These matters will continue to have a detrimental affect on Yemen's economy for the foreseeable future.

Corruption is rampant in Yemen. It has become such a part of the culture of doing business that it is unlikely to change soon. Yemen's anticorruption campaign, which was initiated in early 2006, does not appear to have had much of an impact on the levels of corruption. There has yet to be a high profile arrest and prosecution of someone caught pilfering public accounts. Even assuming those at the top have the will to change; it is unlikely that they can reverse years of abuse and corruption that now affects nearly every segment of society. This is not a problem that can be corrected quickly; instead it will take years of diligence and extreme transparency to reverse current trends. Unfortunately, the government's energies will become increasingly occupied with other economic and security concerns over the coming

³³The World Bank, "Yemen Development Policy Review," November 2006 and "Republic of Yemen Country Assistance Evaluation," August 2006.

years, and it will likely lack the will and capital for the type of reform that is necessary.

Issues of corruption are also evident in the phenomenon that has been termed “shadow employees,” or “double-dippers” in Yemen. This is when one employee draws two or more governmental salaries. Official statistics on the numbers of such employees are difficult to find, but many observers believe the numbers to be in the tens of thousands. At times, Yemen has been successful in eliminating pockets of these shadow-employees from payroll records, but they are replaced almost as quickly as they are removed. This is partly due to the corrupt nature of Yemen’s official bureaucracies, but it is also a result of powerful and influential individuals that dole out favors to their constituents through government salaries. In other words, elite groups within Yemen use the opaque nature of the system against itself by securing financial favors in the form of salaries for their dependants, who in turn offer their loyalty to the individual instead of to state institutions. Attempts to eliminate this phenomenon in any systematic way have been largely unsuccessful.

The lack of foreign investment in the country has also been linked to corruption. Foreign businessmen have long been frightened away from investing in Yemen due to horror stories of being forced to buy plots of lands two or three times before it is finally stolen by a corrupt official. The lack of transparency and Yemen’s dismal record of return on economic investment has also kept nonoil investment to a dismally low level. Yemen has hopes that its ambitious reform program, which has yet to be fully implemented, combined with goodwill from neighboring GCC countries, will help to reverse this trend. The Strategic Vision 2025 report suggests that Yemen believes it can attract \$20–30 billion in investments from Yemeni expatriates. This, like much that is in the report, seems to be a best-case scenario instead of a grounded and sober analysis of potential possibilities. Yemen hopes to also alleviate some of the strain through its new LNG terminal, which will largely be exported to the United States. But estimates vary as to the amount LNG exports will provide, and it is unlikely that revenues will offset the lost in oil production.

Yemen is also plagued by unemployment, which will continue to grow until the country’s birth rate is brought under control. The government is the country’s single largest employer, providing more than 30 percent of all jobs. It is forced to deal with roughly 50,000 new entrants into the job market every year. Already, unemployment is officially at 35 percent, although unofficial estimates put it as high as 45 percent. As the government loses revenue in the coming years, following the end of oil, it will be unable to provide both the employment and subsidies that its citizens have come to expect as it is forced to cut back on its spending.

High unemployment rates have corresponded to an equally high level of poverty. In 1998, the World Bank estimated that 42 percent of the population lived below the poverty line. This number has increased significantly since then but, as with most numbers in Yemen, trustworthy and accurate statistics do not exist. In the absence of hard numbers, broad trends provide the best method of analysis. In this case, it is clear that poverty in Yemen is continuing to grow as the population increases at roughly 3.7 percent per year. This upward trend in unemployment numbers will continue to increase over the coming years as the government and agricultural industry become increasingly incapable of absorbing more individuals. The price of basic foodstuffs has also continued to grow over the past few years, forcing more and more Yemenis below the poverty line and unable to provide for their families.

The country’s low literacy rate further complicates Yemen’s numerous other problems. Only 25 percent of females in Yemen are literate, which is one of the lowest rates in the world. (The literacy rate among males is significantly higher at 75 percent.) This problem is compounded by Yemen’s weak education system, which features grossly overcrowded schools in many urban areas, while rural regions often suffer from a lack of electricity and buildings in which to hold classes. The high number of subsistence farms also takes its toll on childhood education, as children in rural areas spend their time in the fields instead of in the classroom. The literacy rate is a major problem that affects other challenges such as population growth.

Yemen has one of the highest birth rates in the world, of seven live births per woman. Its population is growing at a rate of 3.7 percent per year, with no signs of slowing down. Officially, the population is listed at 20 million, although most observers claim it is closer to 23 or 25 million. It is likely that even high government officials do not have an accurate picture of the population growth rate. Yemen has hopes of lowering population growth to 2.6 percent, which it claims would leave the country with a population of 33.6 million in 2025. This is unlikely to happen, given the low rates of female literacy in the country and the government’s reticence to openly discuss methods of family planning. Even if the government were to institute a nationwide campaign design to limit family size, it is doubtful that this would do

much to ease the pressure. Many in rural areas distrust the Yemeni government, and centrally designed, large-scale campaigns do not have a high rate of success in the country. Instead, to be successful, such a campaign would need to enlist the support of powerful individuals including prominent tribal shaykhs and perhaps most importantly religious leaders, imams, and prayer leaders in mosques. This is unlikely to happen given the low levels of education and societal divisions that exist in Yemen.

The country's infrastructure is extremely antiquated, with little hope of keeping pace with the increase in demand that will come in future years. Electricity only reaches 40 percent of the population, and daily power outages are the norm, even in urban centers like San'a. This and other infrastructural problems such as the lack of roads and water pipes in rural areas and the shantytowns that now surround most major urban centers are blamed on corruption within the government. This is true to a certain extent, but even a completely transparent government would have difficulties coaxing the needed amount of production out of the country's crumbling system of services. The government's impending cash crisis will mean that it will soon have little money to invest in such services, which will mean that electrical grids, sewage systems, roads and water pipes will continue to be overtaxed until they give way. The collapse of the country's infrastructure will immediately erode government legitimacy, while at the same time putting a much greater stress on the other weak points in the country's faltering economy.

CONCLUSION

There is a limit to the positive impact the United States, its allies and regional partners can have in Yemen. Much of the country's future will continue to remain beyond human engineering and even a near perfect strategy will still leave too much to chance.

In the absence of any easy or obvious solutions, Yemeni advisers and a surprising number of foreign experts are putting their faith in the country's blind ability to muddle through the multitude of challenges it will face in the near future. This belief is buoyed by intimate knowledge of the past—Yemen, they claim, has seen far worse and survived—but such an argument confuses history with analysis. And in Yemen hope, even desperate hope, is not a strategy.

Any Yemen strategy will require a coordinated effort between the United States, its allies and regional partners. Success in Yemen demands a localized, nuanced and multifaceted response to the country's many problems. Dealing with al-Qaeda in isolation from Yemen's other challenges is neither sustainable or desirable. Instead, it is a recipe for disaster. A narrow focus on counterterrorism may alleviate the problem for a short period of time, but it will do nothing to eradicate al-Qaeda within the country over the long term. Indeed, such a shortsighted approach will have exceedingly high long-term costs. Rolling back al-Qaeda in Yemen in any sort of sustainable way will require a great deal of expertise and in-depth, localized knowledge, which I am not sure neighboring countries like Saudi Arabia possess let alone the United States and its allies.

However, there are some steps that the United States can take. These are less a blueprint for success than they are a basic checklist; nor is it comprehensive so much as it is a starting point.

Bring in Saudi Arabia: The United States must work behind the scenes to convince Saudi Arabia that U.S. goals of destroying al-Qaeda in Yemen and stabilizing the country are in Saudi Arabia's best interest. This will not be easy, but it is essential. Without at least the tacit acceptance of Saudi Arabia anything the United States attempts to do in the country can be subverted. This is not working through Saudi Arabia or running U.S. policy through Riyadh, but rather convincing Saudi Arabia not to actively subvert or undermine U.S. efforts in Yemen. Saudi Arabia is by far the most powerful foreign actor within Yemen, but it is not a monolithic one. Toward this end the United States must draw Saudi Arabia out of the al-Huthi conflict in the north and use its considerable influence in San'a and throughout the tribal regions in the north to help end active fighting in Sa'dah as an initial step toward a cease-fire.

Treat Yemen as a Whole: The United States and other European and western countries cannot afford to focus on the al-Qaeda threat in Yemen to the exclusion of every other challenge. There has to be a holistic approach and an understanding that all of the crises in Yemen exacerbate and play off against each other. Simply targeting the organization with military strikes cannot defeat al-Qaeda. Something has to be done to bring a political solution to both the al-Huthi conflict as well as the threat of secession in the south. Not dealing with these will only open up more space for al-Qaeda to operate in as well as creating an environment of chaos and

instability that will play to the organization's strength. Indeed, by focusing so exclusively on al-Qaeda and by viewing Yemen only through the prism of counterterrorism the United States has induced exactly the same type of results it is hoping to avoid. This demands much more development aid to the country as a way of dealing with local grievances in an attempt to peel-off would-be members of al-Qaeda.

Reverse the Trend: The United States must also swim up current against bureaucratic muscle memory and attempt to reverse recent trends. In particular it should move closer to the risk management side of the spectrum than remaining on the risk prevention side, where current U.S. diplomacy is stuck. Certainly there are very real security threats in Yemen, but cloistering diplomats inside a fortress like embassy compound and having them scurry back to the fortress-like housing compound in Hadda is not a good way to get to know the country and it certainly does not provide the type of localized and nuanced knowledge that is a prerequisite for success in Yemen.

Utilize Institutional Knowledge: Due to the very real security threats in Yemen, the country is an unaccompanied post, meaning that spouses are only allowed to come if they can find work inside the Embassy while dependants of certain ages are not allowed to come. In practical terms this means that the United States is sending younger and more inexperienced diplomats to a country that demands it send its most knowledgeable and experienced foreign policy hands. I have often criticized U.S. policy in recent years toward Yemen as a dangerous mixture of ignorance and arrogance. And I continue to hold this view, though it pains me to do so, as I know many of the diplomats and many of them are brave and intelligent young women and men who perform extraordinary services. But as a whole, my pointed criticism remains, I believe, accurate. The short tours—2–3 years—also have an impact, as much institutional knowledge is lost. In Yemen, personal relationships mean a great deal and there is too much seepage when a political officer is replaced after such a short time in Yemen. Not only does the incoming officer have to reinvent the proverbial wheel but they also have to relearn the tribal and political geography of an incredibly complex country. Many Yemenis view their relationships not through the prism of dealing with a U.S. representative but rather with an individual and known entity while the constant turnover undermines trust within the country.

Go on the Offensive: The United States must be much more active in presenting its views to the Yemeni public. This does not mean giving interviews to the Yemen Observer or the Yemen Times or even al-Hurra, which is at least in Arabic. It means writing and placing op-eds in Arabic in widely read Yemeni newspapers like al-Thawra. (Newspaper editorials are often read aloud at qat chews.) I detailed a golden opportunity that the United States missed with the Shaykh Muhammad al-Mu'ayyad case in August in a report I wrote for the CTC Sentinel.³⁴ This also means allowing U.S. diplomats to go to qat chews in Yemen and even chew qat with Yemenis. The United States should be honest about what qat is and what it does and not hide behind antiquated rules that penalize a version of the stimulant that does not exist in Yemen. Whether or not the United States knows it, it is engaged in a propaganda war with al-Qaeda in Yemen and it is losing and losing badly. U.S. public diplomacy is all defense and no offense in Yemen, this has to change or the results of the past few years will remain the roadmap for the future. And that future will witness an increasingly strong al-Qaeda presence in Yemen.

The CHAIRMAN. Well said.

Let me just follow up with you. What would you say is al-Qaeda's goal, then, in Yemen?

Mr. JOHNSEN. Al-Qaeda's stated goal is to, what it calls, "expel the infidels from the Arabian Peninsula." This is sort of its reason for being; it's the thing that, ever since it re-formed in 2006, 2007, it's constantly hammered on this point. Its tactics and its strategy have changed a bit over time. And we've seen this organization really grow, and it's becoming increasingly ambitious. So, it's not so much a subsidiary of al-Qaeda that we have in Pakistan or Afghanistan, but it's much more of a more fully autonomous organization, something that Nasir al-Wahishi, the Emir of al-Qaeda, has really attempted to sort of follow the template that Osama bin Laden laid out in Pakistan. He was Osama bin Laden's personal

³⁴Gregory D. Johnsen, "The Expansion Strategy of al-Qaida in the Arabian Peninsula," CTC Sentinel, September 2009.

secretary, spent a great deal of time with him. And so, what we're seeing is essentially a copycat organization of what bin Laden developed in the 1990s.

The CHAIRMAN. And is there any degree to which President Saleh sees that growth as a political threat and challenge to the legitimacy of the government itself?

Mr. JOHNSEN. Certainly. I think since 2006 the Yemeni Government has borne the brunt of most of the al-Qaeda attacks within the country. I would agree with what you said earlier, that, on a sort of hierarchy of challenges, that the al-Houthi insurgency and the threat of southern secession ranks higher in the President's mind, but, at the same time, al-Qaeda is a threat.

The difference for the Yemeni Government, at least in my opinion, is that it has to deal with these individuals. And al-Qaeda members within the country wear different hats. So, you have al-Qaeda members who are tribal members, you have al-Qaeda members who are from outside of the country. And when you start taking the fight to al-Qaeda, you risk, sort of, expanding the conflict and bringing different tribes into it by killing members who also happen to be members of tribes. So, it's a very murky—a very multifaceted conflict.

The CHAIRMAN. Who, in your judgment, should be taking the fight to al-Qaeda?

Mr. JOHNSEN. Well, certainly I think the Yemeni Government is in the best position to do this, but al-Qaeda, I think, has a very significant head start. If you look at the recent history, in 2007 it assassinated a criminal investigator in Ma'rib. It also did this in 2008. And it did this once again in 2009. These are exactly the people, if you're al-Qaeda in the Arabian Peninsula, that you should be targeting. These are the people who know the local tribal geography, know the local politics, as opposed to the people in Sana'a. And so, unfortunately the Yemeni Government hasn't really had the sort of sustainable campaigns against al-Qaeda as it's carried out elsewhere.

The CHAIRMAN. Dr. Kagan, am I correct that—you've advocated a change in our policy, so that we, in effect, side with the Yemeni Government against the Houthi. Is that correct?

Dr. KAGAN. Not quite, Senator. What I'm saying is that we have to recognize that we—by saying that we're going to rely on the Yemeni Government as a partner, we have effectively committed ourselves to ensuring that the Houthi rebellion is wrapped up on terms that are acceptable to the Yemeni Government. That's—it's just a *sine qua non* of that kind of partnership.

The CHAIRMAN. Well, I wanted to follow up on that. I heard you say that we need to get President Saleh to agree to fight AQ, but, at the same time, come to an adequate settlement with Houthis and secessionists. Is that doable?

Dr. KAGAN. I'm not sure, Senator. I think this is a very—I agree with Mr. Johnsen, I think that it's very—there's nothing that you can do in this context that promises success, but I think that the important thing that we have to do is to be straight with ourselves and be honest with ourselves from the outset about the challenge that we face, including the fact that we do seem to have in interest misalignment with the current Yemeni Government.

I think Mr. Johnsen excellently pointed out some of the problems we're going to have getting President Saleh to go after al-Qaeda. But, I think we also have to face the fact that President Saleh himself has, over the past decades, used Salafists, some of whom are either affiliated with, or supporters of, al-Qaeda against his own internal enemies, and there are some of those people within the government.

And so, this is not simply a matter of helping him fight a foe that is external to his power base. We've encountered this kind of problem before. We've seen—you know, we've dealt with this in detail in Iraq and Afghanistan, and we're looking at it in Pakistan, but we've not come up with a real solution to this problem, outside of countries where we have hundreds of thousands of troops. And I agree that we should do everything possible to avoid sending American forces to Yemen. So, I think this is an extremely difficult problem. But, I think that the beginning of solving it is recognizing its full depth and complexity, and I'm not entirely sure that American policy thus far has done so.

The CHAIRMAN. Do you believe that al-Qaeda eventually will morph into a more concentrated ideological entity that might even view a takeover of the government, or some challenge to it?

Dr. KAGAN. The objective of any—

The CHAIRMAN. Or are they happy to simply have their base and carve out their territory, so to speak?

Dr. KAGAN. Well, the objective of any al-Qaeda group, any group that identifies itself as al-Qaeda, is to seize temporal power at some point and establish an Islamic state, as a prelude to the larger global objectives that it has. That said, in most al-Qaeda franchises, there's significant debate and tension about the desirability of focusing on what they will call the "near threat," which is the government, the host nation that they're in, versus the "far threat," which is the United States.

For the moment, it seems as though this Yemeni al-Qaeda franchise is focusing on us. I suspect that's partly as part of the process by which al-Qaeda franchises bid globally for leadership within the movement, for resources, for the attention of al-Qaeda central. One of the things you have to do, as one of those movements, is to show that you're doing something in the fight beyond your local frontier. Whether that means—you know, what that means about where they will ultimately move in the future, I think, is hard to say.

The CHAIRMAN. Ambassador Bodine, you forcefully argued that you can't leave this to Saudi Arabia by itself, and that would, in fact, have its own dangers. Is it possible that the Houthi rebellion could expand into a wide—a regional proxy war between Saudi Arabia and Iran?

Ambassador BODINE. The possibility is there. That isn't how it started, and it isn't where it is at this stage. The Yemeni Government has repeatedly said that Iran is involved. The evidence to that is a little bit shaky.

That said, if Saudi Arabia becomes directly, repeatedly, and militarily involved, there is a possibility that Iran may feel that it has to come in and provide some level of support to the Zaydi rebels.

I would agree with the other speakers. We have to recognize that the Houthis and the southern issue are primary issues for the

Yemeni Government. We and Yemen have the same three security priorities; we have them in a slightly different order. That doesn't mean we cannot work together. We have to just recognize that difference.

The CHAIRMAN. What can you say with respect to this question of Americans going over there? Did you encounter that when you were Ambassador? Did you see that?

Ambassador BODINE. No, I did not. And I am not sure that I fully support the statements that there is a fundamental anti-Americanism in Yemen. There are an awful lot of Yemeni-Americans in this country, and there's not an antagonism toward us.

I think where we do run into a risk of anti-Americanism—

The CHAIRMAN. Does that sort of differ a little bit from the current—from the State Department's own assessment at this point in time?

Ambassador BODINE. Yes, it does. And—

The CHAIRMAN. Why do you draw that different conclusion? I mean, what do you—

Ambassador BODINE. I think—first of all, I think we have an embassy that is far too isolated. We are confusing very real security threats with a hostile environment. One thing that prompts an anti-Americanism is the perception of U.S. engagement solely on an issue that is primarily of our concern, and no corresponding engagement on efforts to rebuild the Yemeni state and assist the Yemeni people. If the Yemeni people see that they are not the primary focus, then we can breed anti-Americanism, yes.

The CHAIRMAN. Would you, any of you, characterize the situation in southern Yemen as becoming increasingly volatile? Is there one that you'd say is more of a threat than the other, the Houthi versus the southern?

Dr. Nakhleh.

Dr. NAKHLEH. Thank you, Mr. Chairman. What is worrisome, it seems to me, is the growing Salafi ideology—radical Salafi ideology—in the southern part of the country. This is a recent phenomenon in Yemen. Until very recently, Saleh did not view al-Qaeda and the Salafi ideology as a threat to his regime. His two threats were the northern uprising and the southern movement. Now, this ideology is beginning to work against him, and therefore I see the growth of the Salafi ideology—

The CHAIRMAN. What's fueling it?

Dr. NAKHLEH. [continuing]. As a serious threat.

The CHAIRMAN. What is fueling it?

Dr. NAKHLEH. Anti-regime, that's one. Anti-Americanism, that's two. And the tradition of so many Yemenis, that had fought in Afghanistan and several other countries, are coming back. And so, there is this jihadist ideology that is fueling that. But, for the most part, when they were with Saleh—the Salafis against the northern uprising, and the southern movement, those people have left him now.

The CHAIRMAN. As I listen to you, and particularly describing the challenges, the list of challenges, which are pretty awesome, I wonder how each of you would respond to this. I mean, you just can't help but feel the growing ingredients of a failed state, with

a diminishing capacity of the United States to have an impact, by ourselves. Can each of you respond to that?

Ambassador.

Ambassador BODINE. It is a daunting prospect. These problems are longstanding.

The CHAIRMAN. Has it grown worse since you were there?

Ambassador BODINE. It has gotten worse—the population, in particular, and the diminishing resources; it absolutely has. The ability of the government to get services out to the population is a major problem.

It is not a failed state. It has one major attribute that a lot of other failed states lack, and that is a very strong sense of identity. It doesn't have the internal divisions—it has political divisions, but it doesn't have the ethnic, sectarian, and linguistic divides.

The Yemeni state does not wish to fail. But, it is going to take a significant, committed, long-term, economic and political engagement to help Yemen walk back from the precipice. And if there was one place to put our money, it would be on education. The lack of education is the major drag on development. It is one area where we can work and be effective.

We can also work with the government, which, while there is certainly opposition to it, it is still a legitimate government. There are, within it, reformers and talented technocrats. There are people, who wish to make it better, we can work with. Focusing on education and governance can make the difference between failure—and the security as well as human nightmare that would mean a viable if not prosperous state. Its resource challenges means it will never be the Emirates. It does not have to become Somalia. It can be kept from being a failed state.

The CHAIRMAN. Dr. Nakhleh.

Dr. NAKHLEH. Mr. Chairman, I believe that if these trends continue, that we talked about—social, political, and economic—especially nepotism that is the control of the family—the family control of the government—if these trends continue, I believe Yemen will become a failed state within the next 3 years.

The CHAIRMAN. Dr. Kagan.

Dr. KAGAN. Senator Kerry, you began this hearing by speaking of Yemen in 2030, I think, and looking back. I would suggest that, as we think about strategy, the question we should be asking is how to make sure that, in 2020 or 2025 or earlier than that, we're not talking how things got to the point where we have a large military presence in Yemen and things are looking very bad. I think that this—that is the—that is one of the objectives to be avoided. The way that we get there is by pursuing a course of action that allows current trends to continue.

I'm not sure—I'm, frankly, not enough of an expert on Yemen to be able to tell you whether our influence is growing or diminishing. It will continue to diminish steadily as the state collapse proceeds. And so, I think that this is the time for a real sense of urgency to develop a strategy, resource it properly, and implement it, so that we don't have hearings years from now where we say, How did we miss the opportunity to avoid a war?

The CHAIRMAN. Well said.

And Mr. Johnsen.

Mr. JOHNSEN. Thank you. We've been talking about al-Qaeda. And I think United States influence and how the United States conducts itself in Yemen, particularly in some of the governorates where al-Qaeda is most active—Ma'rib, Al Jawf, Shabwah, these places, the United States makes a very big impact and then it sort of retreats; makes a big impact and retreats. Whereas, al-Qaeda and the al-Qaeda figures there are known as individuals, and they're seen as pious men who are defending their faith. And one of the things that is really driving al-Qaeda recruitment in these areas is, really, the crushing poverty and the lack of employment opportunities. And you couple this with, sort of, the cell-phone videos of fighting in Iraq that many of these different tribesmen have, and we have a much different situation in Yemen than we did during the 1980s and 1990s, when the tribes weren't really the individuals who were fighting in Afghanistan, but now they are, and al-Qaeda is, I think, sinking deep roots there. And this should be a great cause for concern.

The CHAIRMAN. Well, your assessments are all very sobering and very interesting, and I appreciate it enormously.

The vote has started. We have time for Senator Lugar and Senator Gillibrand to be able to ask their questions. And I'm going to—since I take a little longer, leave to go over there and protect you folks.

I want to thank you all for coming in this morning. As I said, we'll leave the record open. We will follow up with a few questions for you, but it's been very, very helpful.

Senator Lugar.

Senator LUGAR [presiding]. Well, thank you, Chairman Kerry. The vote has started, so I will simply make this comment.

I appreciate your thoughts, Ambassador Bodine, initially about USAID and the possibilities for much more of a development-oriented strategy on our part, because, as you mentioned, Yemen is running out of water. This is a problem even more threatening than the country's dwindling energy resources. So, leaving aside all the rebellions and other political issues for a moment, do you see a situation in which these chronic resource shortage issues could become overwhelming for a regime that is already not very powerful?

I'm just curious as to how, in the midst of these serious problems relating Yemen's depleting natural resources would USAID work if we were able to develop concentrated strategy for how the country's economy might change visibly over the course of 5 or 10 years? Is this within the capacity of USAID, as it's now constituted or as it could be?

Ambassador BODINE. How we should constitute USAID is a whole different hearing.

If we try to do this directly—sneakers on the ground instead of boots—we don't have the resources, and we don't have the capability. When I was Ambassador and in subsequent visits—and I was there as recently as this time last year—I was impressed by very talented technocrats in the government and the talent, size, and commitment of a very large civil society. These are the vehicles, local vehicles along with NGOs such as those we worked through during my ambassadorship, the nascent local administra-

tion or primordial federalism, to supplement our direct efforts, not to supplant the government but to use the military term, as “force multipliers.”

I recently heard Haiti described as the “Republic of NGOs,” where the outside community has come in and “done for” Haiti. You end up with a cargo cult, with aid dependency and not capacity-building either private or public.

There is capacity there to work through. The process of working with the state, local administration, and civil society develops the capacity at the same time. You end up accomplishing two goals at once.

Working with civil society has the advantage that it develops a cadre of potential leaders. The current Minister of Water was the head of a water NGO, for example. We seem to be in agreement that we don’t want to put a lot of American boots on the ground. I would also say we don’t need to put a lot of USAID people on the ground. We need to figure out how to work through the rudimentary structures, build those structures, as well as help the government figure out how to deliver the services. We need to strengthen the state.

Senator LUGAR. Thank you very much.

Senator GILLIBRAND [presiding]. Thank you, Senator Lugar.

I’d like to just touch upon one issue that we haven’t talked a lot about today, but certainly Senator Kerry’s report addressed Yemen and Somalia together, and the relationships of al-Qaeda in both places.

So, I’d like to know, you know, should we have an international strategic session to also focus on Somalia? Do you have any comments that you want to leave us with, with regard to the impact Somalia has right now on al-Qaeda’s growth and on future terrorist threats and how it relates to Yemen?

Dr. KAGAN. Well, I would strongly encourage you to have a future session on Somalia, and probably one beyond that, that looks at the larger regional intersections of all of these groups and problems. There are something greater than, I think, 150,000 Somali refugees in Yemen. Depends on what number you like. There has been a lot of movement back and forth. What does that mean? I think it’s not entirely clear, except that Yemen is clearly affected by the conflict in Somalia, which is heading, frankly, in a rather bad direction.

And I’m extremely concerned about the growth of Shabaab, and also about growing indications that Shabaab is also interested in bidding for al-Qaeda central’s attention by conducting extra-regional and international attacks. And I think that this is a good opportunity for us to try to make sure that we don’t repeat the experience of being generally surprised, outside of the realm of experts, when al Shabaab attempts to do something similar to what we saw on Christmas Day. So, I would encourage the committee to do that.

Dr. NAKHLEH. I would add to that, Senator. I would suggest that the hearing be on the Horn of Africa, the whole general area, and particularly the statements—recent statements that Sheikh Zindani made. Sheikh Zindani is a major Salafi figure in Yemen. He is also the founder of that Iman University. Recently—just the

other day, he made statements against the United States presence there, and those statements have not been rejected even by the Government of Yemen. They have been accepted throughout. And so, a hearing on the Horn and the role of radical Salafi ideology throughout the Horn.

Senator GILLIBRAND. Yes.

Mr. JOHNSEN. Thank you, Senator. If I could just add to that. We certainly know, from recent history, that, in many ways, jihad is a family business. And we've seen a great deal of crossover between al-Qaeda in Yemen and then al-Qaeda in the Arabian Peninsula and what was going on in Somalia. We've pointed to this prison break in February 2006 as really being the starting point for al-Qaeda in the Arabian Peninsula, the group we're dealing with today.

Two individuals from this prison break made their way to Somalia and fought there. One was actually killed by the United States in June 2007. These individuals have family links within al-Qaeda in the Arabian Peninsula still today, as well as among individuals in Guantanamo Bay. And so, we certainly see something where al-Qaeda in the Arabian Peninsula has stressed, in their public statements, cooperation and support for the Shabaab within Somalia, and vice versa.

Senator GILLIBRAND. Thank you so much. Thank you all for your testimony. It's extremely beneficial that you've made your time available to us today, and this will just continue our conversation.

Thank you very much.

[Whereupon, at 12:13 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF SENATOR CHRISTOPHER J. DODD, U.S. SENATOR FROM CONNECTICUT

Mr. Chairman, thank you for holding this hearing today. This is a critically important issue, and I appreciate our witnesses coming to lend their expertise today.

If not for the bravery of the passengers and flight crew aboard Northwest Airlines Flight 253, Christmas Day, 2009, might very well have ended in tragedy. As the world learned more about Umar Farouk Abdulmutallab, it became clear that the U.S. national security, foreign policy, and intelligence communities missed a number of warning signs about Mr. Abdulmutallab and his intentions. Chief among these warning signs was Mr. Abdulmutallab's extended time in Yemen under the tutelage of radical Islamists tied to al-Qaeda.

This is not the first time attacks against America or our allies can be traced back to Yemen, and it has become increasingly clear that Yemen's precarious situation poses a significant threat to U.S. national security.

In many ways, the threats posed by Yemen have grown in plain sight, and it is unfortunate that it has taken a brush with disaster to focus our attention on the region. Our colleague, Senator Feingold, has long been sounding the alarm on Yemen and I hope that the administration is open to hearing his thoughts and ideas on how to tackle this vexing problem.

Yemen faces a number of serious challenges to its stability and security. Dual rebellions in the north and south have displaced over 100,000 people, alienated government forces, and seriously undermined the authority of the central government—an authority that was already tenuous at best. These conflicts have allowed al-Qaeda elements in Yemen to quietly increase in strength with little interference from Yemeni authorities. Yemen also faces crushing poverty. This combination of poverty and instability represents a lethal vicious cycle, and make the nation especially attractive to al-Qaeda leadership.

If the United States is to succeed in Yemen, we must be ready to address not only the security situation, but also the poverty that fans flames of instability and violence.

America's policy in Yemen cannot be predicated on military assistance alone, we must be committed to helping lift Yemenis out of crushing poverty, strengthening respect for the rule of law, and bringing about democratic reforms. Our experiences in Iraq and Afghanistan are clear indications that this sort of holistic approach is major determinant of our success in combating terrorism around the globe, and we must be committed to crafting such a strategy in Yemen.

We must also be cognizant of our limitations. What can we achieve in Yemen? Is our goal to strengthen Yemen's Government and institutions? Is it to help Sana'a reassert control over its wayward provinces? How much are we willing to commit to these endeavors? Does the government of Ali Abdullah Saleh share our priorities and objectives? These are all critically important questions that must be answered if we expect to see progress in Yemen.

We must also note that the challenges of Yemen are not unique. Many of the factors that make Yemen so attractive to al-Qaeda can be seen in Somalia and the border region of Pakistan, Afghanistan, and Iraq. Fragile states continue to represent a significant threat to U.S. national security, and we must pursue developing a foreign policy that seeks to head off state failure well before instability becomes systemic.

Thank you again, Mr. Chairman, for holding this hearing and to our witnesses for joining us today. I look forward to a frank and meaningful discussion.

RESPONSES OF AMBASSADOR DANIEL BENJAMIN TO QUESTIONS SUBMITTED BY
SENATOR RICHARD G. LUGAR

Question. There are conflicting assessments about the degree of support al-Qaeda in the Arabian Peninsula (AQAP) enjoys among the Yemeni population. What is the administration's assessment? How best can AQAP be delegitimized?

Answer. While portions of the Yemeni population may be sympathetic along some ideological lines with the AQAP narrative, AQAP remains a fringe movement with a limited presence in Yemeni society. While the AQAP leadership has the intent and the capability to mount some attacks, we do not assess that AQAP has the support it would need to challenge Yemen's central government in an existential way, and we assess most Yemenis find AQAP's self-aggrandizing rhetoric overblown.

Delegitimizing AQAP will be a matter of finding and mitigating the local drivers that give it traction. Yemen's efforts to improve its law enforcement, legislative, judicial and security capacities, bolstered through bilateral and multilateral assistance from the United States and others, will help the government establish legitimate institutions that deprive AQAP of space to operate. The Yemeni Government must also find enduring political settlements to both the Houthi conflict and the southern protest movement in order to avoid the humanitarian tragedies that amplify or create local grievances.

Question. Al-Qaeda in the Arabian Peninsula (AQAP) targeted Saudi Prince bin Nayef in a failed suicide operation last year, and claimed responsibility for the December 25th attempt to blow up Northwest Airlines Flight 253. Although both attacks failed, they demonstrate an increasing level of sophistication on the part of AQAP. How has AQAP managed to regroup over the past 2 years? Where does its funding come from? From where does it recruit? What are its vulnerabilities and how can they best be exploited?

Answer. AQAP officially established itself in January 2009 to formalize cooperation between Yemeni and Saudi operatives, but the Arabian Peninsula is not a new front in al-Qaeda operations. Indeed, al-Qaeda has had a presence in Yemen for many years. In 1992, al-Qaeda militants attacked a hotel in Aden which was then housing American military personnel who were on their way to Somalia to support the U.N. mission. In the 1990s, a series of al-Qaeda terrorist plots were based in Yemen, most of them aimed at Saudi Arabia. Following the attack on the USS *Cole* in 2000, the Yemeni Government, with support from the United States, dealt significant blows to al-Qaeda's presence in Yemen through military operations and arrests of key leaders.

During much of the subsequent period, the Government of Yemen was distracted by other domestic security concerns, and efforts to neutralize al-Qaeda suffered. After the May 2003 al-Qaeda attacks in Saudi Arabia, the Saudi Government dramatically improved its counterterrorism efforts. While we welcomed Saudi efforts, unfortunately many of the radicals driven out of Saudi Arabia fled to Yemen, joining

other fighters who had returned from Afghanistan and Pakistan. In 2006, a group of senior al-Qaeda leaders escaped from a Yemeni prison, greatly strengthening al-Qaeda's capabilities in Yemen. This illustrates one of the great challenges in neutralizing the al-Qaeda threat—countering the geographical flexibility of al-Qaeda and its affiliates and their ability to continually exploit poorly or ungoverned territories.

AQAP's funding comes from a variety of sources, including supporters within the region. The cash economy of Yemen makes the movement of money difficult to track. While Yemen has not traditionally been a source of funds for international terrorist groups, it does serve as a destination and transit point of funds. With the assistance of the World Bank, the IMF, and the UNODC, Yemen has created a new Anti-Money Laundering/Counterterrorist Financing law which was enacted this month. A multiagency Financial Systems Assessment Team (FSAT) conducted a week-long, in-country evaluation of Yemen's capacity to combat money laundering and terrorist financing, in order to determine its most critical training and technical assistance needs in 2007. Interlocutors noted that the cash-intensive nature of the economy, significant levels of corruption, and problems in the judicial system would be important factors to consider when developing training and technical assistance programs related to terrorist financing, money laundering, and financial crimes. We are carrying out training and assistance pursuant to the FSAT conclusions, particularly correlated to the risks and vulnerabilities related to the money-exchange service sector, the NGO sector, corruption, and increased evidence of narcotics trafficking.

AQAP's recruitment efforts appear primarily focused within Yemen, and in the Arabian Peninsula, but we are concerned about the potential for recruitment of westerners or other individuals with access to the homeland. Some individuals also may proactively seek out AQAP's leadership. The perpetrator of the airline bombing attempt claimed that AQAP directed his attempt and provided him with training and explosives.

AQAP's strength derives from its ability to tailor its message to local grievances that stem from poor governance and the real or perceived injustices perpetuated by the central government. This underscores the importance of working with international partners and Yemen's Government to strengthen the institutions and delivery of services to local population as we simultaneously strengthen the local security services.

Question. How does the administration assess the practical impact of the January 2009 merger between al-Qaeda in Saudi Arabia and al-Qaeda in Yemen to form al-Qaeda in the Arabian Peninsula? Are there any known cleavages between the formerly distinct branches of al-Qaeda?

Answer. The merger of al-Qaeda in Saudi Arabia and al-Qaeda in Yemen accrued some practical benefits to the organization, but also exposed it to more consolidated counterterrorism tools, such as our recent foreign terrorist designations, and increased cooperation between Saudi Arabia and Yemen to confront a shared threat.

Through this merger, AQAP has expanded its strategic depth on the Arabian Peninsula and attempted to take advantage of the relative freedom AQ operatives have come to enjoy in Yemen. Merging into a group that purports to cover the entire Arabian Peninsula attached the geographical convenience of operating in Yemen to the symbolic significance of its presence in Saudi Arabia, as al-Qaeda has long claimed to be a legitimate defender of the "land of the two sanctuaries." Establishing a larger franchise also provides additional impetus to pursue a more ambitious agenda, as we saw in its attempt to attack the U.S. homeland.

In more practical terms, the merger reflects al-Qaeda's need to find new sanctuary as the Saudi Government dramatically improved its counterterrorism efforts following the 2003 attacks. As AQ radicals went to Yemen, they were able to join other fighters returning from Afghanistan and Pakistan, as well as those senior AQ leaders who escaped from prison in 2006, including AQAP leader Nasir al-Wahishi. Al-Wahishi's direct ties to al-Qaeda and its senior leadership gives him a certain credibility in attracting recruits and consolidating efforts. There had been some speculation about cleavages among those who advocated a longer term approach, and those who advocated nearer term operations, but the practical impact of these speculative disagreements should have no bearing on our policy: violence is a fundamental part of al-Qaeda's mission and it means to carry out violent attacks against civilians.

However, AQAP's merger also exposes the group to broader authorities and tools to confront it and to deprive it of funding. The Secretary of State has designated al-Qaeda in the Arabian Peninsula (AQAP) as a Foreign Terrorist Organization (FTO) under Section 219 of the Immigration and Nationality Act, as amended (INA). The Secretary also designated AQAP and its two top leaders Nasir al-Wahishi and

Said al-Shihri as Foreign Terrorist Organizations under Executive Order 13224. These actions prohibit provision of material support and arms to AQAP and also impose other restrictions that will help stem the flow of finances to AQAP and give the Department of Justice the tools it needs to prosecute AQAP members.

Question. Were there warning signs that AQAP had the motivation and the means to launch an attack on the United States? How does the administration interpret AQAP's decision to "outsource" to a Nigerian national the attack on Northwest Airlines Flight 253?

Answer. We have long been concerned about al-Qaeda's interest in recruiting individuals with access to the U.S. homeland. Al-Qaeda's senior leadership has a standing commitment to attack the U.S. homeland, which its affiliates share. This incident further underscores the need to implement a global approach to countering the AQ threat.

Question. The Government of the Yemen has long been preoccupied with an insurgency in the north and a secessionist movement in the south. Al-Qaeda has not been a priority. In the past month, however, the Government has vigorously pursued al-Qaeda in the Arabian Peninsula. To what do you attribute this shift? What is the best way to sustain the Yemeni Government's commitment to combating AQAP?

Answer. We are pleased with the commitment that President Saleh and the Yemeni Government have shown to confront the threat of al-Qaeda and to recognize it as a threat to the people and state of Yemen. The United States remains encouraged by the Government of Yemen's action against al-Qaeda and other extremist groups over the last year, following a number of terrorist attacks.

In the past year, the administration has maintained a vigorous tempo of senior level visits to Yemen, most recently by General Petraeus and Deputy National Security Advisor Brennan to press our concern about al-Qaeda's ability to operate from and within Yemen.

This intensified engagement, combined with the Government of Yemen's greater awareness of the seriousness of the al-Qaeda threat, has engendered the government's recent efforts to combat al-Qaeda. We must continue sustained engagement as these efforts continue.

Question. Yemeni leaders have come out with conflicting statements about al-Qaeda in recent weeks. Some have said that AQAP needs to be eliminated. Others have suggested that accommodation is an option. What is the best strategy for sustaining the Yemeni Government's commitment to combat AQAP?

Answer. Again, we are pleased with the Yemeni Government's commitment to confronting the threat of al-Qaeda. The United States remains encouraged by the Government of Yemen's action against al-Qaeda and other extremist groups over the last year, following a number of terrorist attacks. Sustaining this commitment will be the work of cooperation with Yemen's leadership and the international community to help find political solutions to Yemen's internal conflicts, and addressing the conditions that have allowed violent extremists to find safe haven in Yemen.

Question. The United States has long been a target in Yemen, as evidenced by attacks on the USS *Cole* and the U.S. Embassy. Seeking to blow up a Detroit-bound airplane marks a major shift by AQAP in trying to strike the homeland, however. To what do you attribute AQAP's shift toward targeting the U.S. homeland? How has the plot's failure been interpreted on the ground in Yemen?

Answer. We do not yet know what specific set of factors caused AQAP to attempt an attack against the continental United States. We have long been concerned about al-Qaeda's interest in recruiting westerners or other individuals with access to the U.S. homeland. AQAP, like other AQ affiliated groups, will use whatever means they can to recruit willing participants, and to find ways to support or use willing volunteers. While there has been debate about whether or not AQAP's interests were more regionally or globally focused, al-Qaeda's senior leadership has a standing commitment to attack the U.S. homeland and AQ's affiliates share its antipathy toward the United States. We should not assume that the plot's failure will discourage additional attempts, emanating from Yemen or elsewhere, and so the administration is taking additional steps to review and improve our information sharing and security procedures.

Question. Human rights groups have long expressed concern that that some Middle East governments engage in repressive actions against political opposition and independent media under the guise of "combating terrorism." The United States seeks ROYG cooperation both in combating terrorism and in improving respect for

human rights, among other priorities. How is the administration working to ensure that advances in one area do not come at the expense of the other?

Answer. Our commitment to basic human rights is integral to our long-term counterterrorism objectives, and the two should never be mutually exclusive. We know that the deterioration of human rights creates additional fertile ground for al-Qaeda to manipulate grievances and gain support. We remain wary of attempts to use the fight against terrorism to repress political opposition, and we expect transparency and fidelity in the conduct of operations that target named al-Qaeda individuals. Counterterrorism efforts includes building security services that are more accountable and responsive to the needs of local populations and whose practices are consistent with international human rights standards. Support for civilian institutions of law enforcement, strong but fair antiterrorism legislation, and responsive judicial institutions is also necessary to ensure human rights are respected.

RESPONSES OF ASSISTANT SECRETARY JEFFREY FELTMAN TO QUESTIONS SUBMITTED BY SENATOR RICHARD G. LUGAR

Question. As you discussed in your testimony, the Government of Yemen is fighting the Houthi insurgency in the north and faces a secessionist movement in the south. Further complicating matters, Saudi Arabia has now become a party to the Houthi conflict. You noted that neither conflict can be solved by force. Moreover, the Government's preoccupation with these other conflicts distracts it from combating al-Qaeda. How is the administration promoting the peaceful resolution of these conflicts?

(a) With respect to the Houthi rebellion, you noted that five cease-fires had been brokered in previous rounds of fighting, but that related political agreements had never been implemented. What are the prospects for a comprehensive settlement to be reached and fully implemented after this sixth round of fighting? Who has the clout to broker such an agreement?

(b) The southern rebellion appears more susceptible to negotiations, but there is distrust on the part of the Southern Movement that the Government of Yemen will follow through on any promises. Who could help mediate this conflict? Could a third party serve as a guarantor?

Answer. With respect to the Sa'ada war, the U.S. Government, both publicly and privately, is calling on both parties to declare a cease-fire and return to negotiations that will lead to a political solution to the conflict and a lasting end to violence. We also call on both parties to ensure the safety of civilians and humanitarian aid workers in the region, and on all states in the region to facilitate the safe passage of emergency relief supplies to those in need.

The Yemeni Government has thus far rejected offers of third-party mediation to the conflict. The U.S. Government will work with our partners in the international community to encourage the Yemeni Government to return to the negotiating table.

With respect to the south, we believe that a national dialogue between the government and the political opposition, including disaffected southerners, could help alleviate tensions there. Meaningful devolution of power to Yemen's governorates could also serve to defuse the resentment that fuels separatist sentiments in the south. The U.S. Government is encouraging the Yemeni Government and the legitimate political opposition, under the umbrella Joint Meeting Parties (JMP), to renew dialogue on electoral and political reform, including greater local autonomy, which are issues at the root of the Southern Movement's grievances. Embassy staff speak with political actors from across the spectrum and will continue to reiterate our support for dialogue.

The Southern Movement has sought third-party mediation, but the Yemeni Government insists that southern discontent is an internal matter that should be addressed internally. We continue to encourage both parties to engage in genuine dialogue, while calling on the Yemeni Government to refrain from violent repression of peaceful demonstrations and to respect the rights of journalists reporting on the situation in the south.

Question. Is the administration satisfied that the Republic of Yemen Government is using U.S.-provided counterterrorism assistance to combat al-Qaeda, and not diverting it for use in its fight against Houthi rebels? As cited in a recent Minority Staff report, a 2009 end-use monitoring check performed by Embassy Sana'a's Office of Military Cooperation revealed that "much equipment was unaccounted for."¹ In

¹ S. PRT 111-38, Following the Money in Yemen and Lebanon: Maximizing the Effectiveness of U.S. Security Assistance and International Financial Institution Lending (<http://frwebgate>).

addition, OMC determined that there were insufficient physical security safeguards in place at the Yemeni Special Operations Forces' compound. What measures have been taken to strengthen end-use monitoring beyond twice-yearly inventory checks?

Answer. The United States uses Foreign Military Financing (FMF) to train and assist Yemen's Central Security Forces (CSF) and other Yemeni Government organizations engaged in counterterrorism operations. These organizations include the Ministry of Defense and the Ministry of the Interior security forces, the Yemeni Coast Guard, Air Force, and Special Forces, and the Central Security Force's Counterterrorism Unit (CTU). They all have discrete responsibilities focused on counterterrorism and border control.

All equipment provided to Yemeni forces is subject to end-use obligations. Both the Department of State and the Department of Defense have end-use monitoring programs to oversee compliance with our transfer agreements. For specifically designated technologies, such as Night Vision Devices, the transfer agreements include accountability and security provisos which allow U.S. officials to conduct recurring inventories as part of the enhanced end-use monitoring process.

We consulted with Embassy Sana'a Office of Military Cooperation (OMC) about the recent Minority Staff report. According to OMC, it is not aware of any potential violations of Yemen's end-use obligations. Instead, the report referred to incongruities in recordkeeping on the part of U.S. officials. As a result of that study, records and procedures have been reviewed and updated. Enhanced end-use monitoring of night vision devices continues in accordance with normal Defense Security Cooperation Agency practices.

The United States welcomes the cease-fire in the Government of Yemen—Houthi conflict. We understand a mediation commission representing all parties is monitoring compliance with the terms of the cease-fire. We hope these efforts will begin the urgent process of reconciliation and reconstruction to bring the conflict to a permanent end.

Question. Given the restrictions on staff travel outside of Sanaa, how comprehensively is the Embassy in Sanaa able to track developments outside of the capital? How can the U.S. Government best mitigate any related gaps in our collective understanding of the evolving situation in Yemen?

Answer. We believe that Embassy staff are able to effectively track developments outside of Yemen's capital. Although travel was limited in the months following the September 2008 attack, Embassy staff have conducted numerous visits outside the capital in recent months, including to the governorates of Aden, Ta'iz, Hudaydah, Amran, Mahweet, Ibb, Hadramaut, Socotra, and Lahj. During these visits, they met with local officials, business and civic leaders, journalists, human rights advocates, education and health care workers, and others, who shared valuable information and local perspectives on political, economic, and social developments. We maintain contact with actors across the country from a variety of backgrounds who provide us their perspectives on the situation in Yemen and the challenges it faces.

Question. The United States lacks the leverage to persuade the Government of Yemen to take the difficult decisions that are necessary for it to deal effectively with its multiple security, governance, and economic development challenges. Regional players, such as Saudi Arabia, enjoy more leverage. That said, witnesses on our second panel cautioned against relying too heavily on Saudi Arabia, given historical problems between the two countries. Moreover, Saudi Arabia views Yemen through the prism of its own national interests, and the way it approaches matters in Yemen can be at odds with U.S. policy. For example, reported direct cash transfers from the Kingdom to President Saleh seemingly undermine U.S. calls for greater transparency. How can the United States best partner with Saudi Arabia and other Gulf states to ensure that our efforts to help Yemen are in harmony and advance our interests?

Answer. U.S. officials consult with Yemeni counterparts on a variety of security, economic, and governance issues. Our engagement and our assistance programs aim to persuade the Government of Yemen to implement the political and economic reforms necessary to confront its security, governance, and development challenges. The Yemeni Government's recent operations against Al-Qaeda in the Arabian Peninsula (AQAP) indicate that increased U.S. engagement with Yemen is helping to focus the Yemeni Government's efforts on eliminating the threat posed to both our nations by AQAP.

To maximize our limited leverage, the U.S. Government is seeking greater coordination with Yemen's influential neighbors and donors, including Saudi Arabia, other GCC members, and major donors from the EU. On January 27, the Secretary of State will participate in a meeting in London with other Foreign Ministers and representatives of the World Bank, IMF, and other multilateral organizations in order to consolidate international support for Yemen, coordinate assistance efforts, and reach agreement on assisting Yemen in its political and economic reform efforts.

Question. How can the role of the private sector in Yemen be strengthened, including in the area of agricultural development? Are there areas of opportunity for business growth and investment that would create jobs?

Answer. Yemen faces some of the most difficult challenges of any developing country in terms of economic development. The country is running out of water at a dramatic rate; the population will double in the next 15 years; corruption is widespread; foreign and domestic investment is almost zero; only half the population is literate; there is 40–50 percent unemployment with almost all economic reforms stalled because of prolonged political stalemate; and there are three ongoing conflicts in the country. The prospects for meaningful economic development in the country in the coming years are extremely limited.

The private sector can best be strengthened in Yemen by supporting micro-, small-, and medium-sized enterprises (MSMEs) and farmers, particularly in rural areas, where job creation is most promising. Promoting alternatives to qat production, which has turned Yemen into an importer of every agricultural and livestock product, is key to decreasing water consumption and increasing food security and incomes. Government policies that facilitate business growth through increasing access to finance, eliminating market distortions, and promoting nonpublic sector employment are important. Anticorruption measures that can reinvigorate public trust in Yemen's institutions must be supported at all levels. Basic government services that affect the private sector, including security, electricity, health, and education must be improved. Transparency in planning and budgeting at all levels must be encouraged. The government must invest in basic community-level infrastructure. And, females must become part of all aspects of the Yemeni socioeconomy.

Areas of opportunity for business growth and investment that would create jobs are primarily found in supporting MSME development and strengthening and promoting agricultural expansion in competitive crops that are demanded locally, including date palms, olives, nuts, and other drought resistant fruits and vegetables. Investments that involve significant resources or require the involvement of the Government of Yemen (GOY) will be more difficult to move forward as corruption is rampant.

In 2010, USAID will begin implementation of two flagship initiatives designed to address most of the focus areas highlighted above. USAID's new 5-year, \$125 million Community Livelihoods Project (CLP) will work in communities in conflict-prone rural areas where livelihood improvements will help to increase stability throughout the whole country. CLP will focus on job creation (private sector and agriculture), basic public service provision (health, education, water), and the local governance strengthening. Small-scale community infrastructure projects will address infrastructure, food security, agricultural productivity and other deficiencies that limit economic prospects for vulnerable communities. To address the problem of qat, USAID will promote traditional, water-conserving crops that are in local demand as an alternative to qat, which uses precious water resources and limits economic opportunities in growing areas. Assistance to improve farming practices, post harvest operations, information, marketing, and processing can attract farmers and small- and medium-sized investors to abandoning qat production.

USAID will also begin a new five year, \$43 million Responsive Governance Project (RGP) to improve the ability of the GOY to meet the needs of its people, including the private sector, as well as to reverse the decline in government legitimacy and credibility in the eyes of its citizens. The RGP will help the GOY develop policies, regulations, and laws that will support socioeconomic reforms and development, and promote governance initiatives related to decentralization, election, human rights, anticorruption, and transparency reforms.

Question. What is the situation of Somali and Ethiopian refugees in Yemen, as well as of internally displaced people in the north? What kind of support is the U.S. Government providing? What are the obstacles to the provision of humanitarian relief? What more can be done to address their plight? Is there a nexus, as some have suggested, between AQAP and Somali refugees?

Answer. Refugees.—Refugees are fleeing Somalia and Ethiopia in search of safety and protection. UNHCR estimates there are more than 162,000 Somali refugees and

more than 2,500 Ethiopian refugees in Yemen. We encourage all governments in the region to permit unrestricted access to first asylum procedures for refugees.

In FY 2009, the State Department's Bureau of Population, Refugees, and Migration (PRM) provided more than \$4.3 million in earmarked funding primarily to UNHCR to help meet protection and assistance needs of African refugees in Yemen, including shelter, water, sanitation, and hygiene needs in the al-Kharaz refugee camp, and education, training, and health needs of refugees in urban areas.

Although at a recent public graduation ceremony for al-Shabaab recruits their leaders called for fighters to go to Yemen, evidence of direct links between AQAP and the armed Somali group al-Shabaab is limited. The prospect of these terrorist groups reinforcing one another is of course worrisome, and the U.S. Government is monitoring the situation closely. The Somali refugees in Yemen are fleeing the depredations of al-Shabaab and the multiple armed groups and conflicts that have plagued Somalia for nearly two decades. There were some reports that Somali refugees were impressed into fighting with the Yemeni Houthi rebels during that recent conflict. As a matter of principle, the United States condemns recruitment of refugees by armed groups.

Internally Displaced Persons (IDPs).—The U.S. Government has provided nearly \$17 million in assistance in FY 2010 and FY 2009 to help meet the emergency shelter, water, sanitation, hygiene and protection needs for the most vulnerable among the estimated 250,000 internally displaced persons (IDPs) in Yemen and an estimated 25,000 host families in Sa'ada, Hajjah, and Amran governorates.

Since August 2009, the U.S. Agency for International Development (USAID) has provided food assistance valued at \$7.4 million to the World Food Programme (WFP) to help meet the emergency food and nutrition needs of approximately 150,000 IDPs and other conflict-affected people in Sa'ada Governorate. USAID has also provided nearly \$3 million to date in FY 2010 to support health, nutrition, shelter, and water and sanitation interventions targeting IDPs, as well as logistics and humanitarian coordination. In FY 2009, USAID provided \$250,000 to the United Nations Children's Fund (UNICEF) to support emergency health, nutrition, water and sanitation activities.

The State Department's Bureau of Population, Refugees, and Migration (PRM) provided \$4.4 million in FY 2009 to the United Nations High Commissioner for Refugees (UNHCR) to facilitate IDP registration, provide protection and shelter, and distribute blankets, tents, and other nonfood items to displaced Yemenis in northern Yemen. PRM also provided \$1.5 million in FY 2009 to the International Committee of the Red Cross (ICRC) to provide food, shelter, medicine, water and sanitation assistance, and household essentials to conflict-affected populations in Yemen.

Humanitarian aid agencies report limited access to IDP populations, especially those outside of official camps. Yemeni IDPs and conflict victims remain in need of food, water, sanitation, shelter, health care, and other services.

Question. Has the administration considered deploying to Yemen an interagency assessment team through the Office of the Coordinator for Reconstruction and Stabilization to assist Ambassador Seche and the Country Team in determining potential ways to quickly strengthen the capacity as appropriate for near- and medium-term U.S. responses to the threat of terrorism emanating from Yemen?

Answer. Embassy Sanaa has asked the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) to facilitate a strategic whole of government planning process that will directly inform the Mission Strategic Plan for 2012. S/CRS will send a team beginning in mid-February to conduct that planning.

These efforts build on the Yemen Interagency Conflict Assessment that S/CRS and USAID sponsored in September 2009, which was also part of the broader review of U.S. Government strategy in Yemen mandated by the National Security Council.

S/CRS will continue to work with Embassy Sanaa, NEA and the interagency to identify ways in which we can best support the critical effort in Yemen.

RESPONSES OF ASSISTANT SECRETARY JEFFREY FELTMAN AND COORDINATOR FOR COUNTERTERRORISM DANIEL BENJAMIN TO QUESTIONS SUBMITTED BY SENATOR RUSSELL D. FEINGOLD

Question. Secretary Feltsman, Ambassador Benjamin, since the attempted attacks on Christmas Day, numerous administration officials have repeatedly called for an expanded partnership with the Yemeni Government.

I think such a partnership is critical in a number of regards. I am also very concerned about the repressive nature of Yemen's Government. In fact, last year's State Department report on Human Rights notes "Significant human rights problems per-

sisted . . . and there were limitations on citizens' ability to change their government due to corruption, fraudulent voter registration, and administrative weakness [as well as] reports of arbitrary and unlawful killings by government forces, politically motivated disappearances, and torture in many prisons."

More recently, Ambassador Benjamin, you noted that "we must address the problem of terrorism in Yemen from a comprehensive, long-term perspective that considers various factors, including assisting with governance and development efforts as well as equipping the country's counterterrorism forces."

Accordingly, what steps are being taken to ensure that our policy approach is balanced—one that both strengthens our partnership to counter al-Qaeda while also pressing for improvements in governance and development?

Answer. Our basic strategy for Yemen is two-pronged. We are simultaneously working with the Government of Yemen to improve its capacity to combat terrorism in the short term while seeking longer term improvements in the government's capacity to govern the country and meet the population's essential services needs. On the development side, USAID is implementing a strategy aimed at increasing stability through interventions designed to improve livelihoods in communities in the country's most unstable areas. In addition, the Middle East Partnership Initiative (MEPI) supports projects that offer a more positive future for Yemeni youth, empower Yemeni women, promote job creation and education, and encourage political reform and peaceful civic participation. Through this broad and balanced range of efforts, encompassing security, development, and civil society initiatives, we intend to change the base conditions that make Yemen a fertile breeding ground for al-Qaeda.

The U.S. Government is committed to strengthening the democratic process in Yemen. We are promoting ongoing electoral reform in preparation for April 2011 parliamentary elections, as well as providing assistance to help Yemen combat corruption, promote rule of law, and improve governance. USAID is supporting meaningful devolution of power to Yemen's governorates, which will serve to defuse resentment that fuels separatist sentiment in the south and the Houthi rebellion in the north. USAID, MEPI, and our Public Diplomacy officers are working to support those elements of civil society essential to an inclusive democratic process: a responsible, independent media; full electoral participation by women; responsible and representative political parties; and effective nongovernmental organizations. USAID programs in Yemen's rural areas include a focus on the development of strong, independent local councils as a means to generate greater ownership among Yemen's people for their nation's democratic institutions.

MEPI is committed to working with Yemeni civil society to strengthen good governance and the rule of law, improve internal stability, and empower Yemenis to build a more peaceful and prosperous future. MEPI places particular emphasis on providing support for Yemeni advocates of positive change, including in rural areas that traditional U.S. aid implementers cannot access. One of MEPI's local grant recipients, the Democracy School, has implemented several successful projects to combat youth radicalization through conflict resolution and leadership training. These programs target the same young, religious, and disenfranchised populations who are so susceptible to recruitment by extremists. In another MEPI project, imams and women preachers in 10 Yemeni governorates are learning about principles of democracy and human rights through a program implemented by a local group, the National Organization for Developing Society (NODS).

Question. Secretary Feltman, the instability in nearby Somalia contributes to the fragility of Yemen, particularly in terms of the number of asylum seekers that drain Yemen of its already scarce resources, but also because the porous border could enable militants and weapons to move back and forth between countries. How are you working within the existing structure at State—which does not place Yemen and the Horn of Africa in the same bureau—to ensure relevant information is analyzed and shared appropriately?

Answer. The tens of thousands of Somalis, a mixed flow of refugees, economic, and other migrants who arrived in Yemen in 2009, are evidence that increased instability in either country is likely to affect its neighbor. There is potential for an increased flow of foreign fighters from Somalia to Yemen, and vice versa, and we are monitoring the situation closely.

The fact that Yemen and the Horn of Africa are not handled in the same bureau at the State Department does not hinder our ability to share relevant information and analysis appropriately. The Bureau of African Affairs and the Bureau of Near Eastern Affairs work together closely on Yemen and Somalia. Many of the cross-cutting issues affecting these countries, including counterterrorism, refugee flows, and piracy are handled by functional bureaus that are not divided along geographic

lines. Also of note, Yemen and Somalia are both part of the East Africa Regional Security Initiative, which works to enhance U.S. coordination between the embassies in these countries and the ability of these states to counter terrorism threats.

Question. Last summer, I expressed concern about the transfer of detainees to Yemen and urged that we address directly the weaknesses in Yemen's justice and security systems. The challenges posed by the need to close Guantanamo consistent with our national security are nothing new. While, under the circumstances, I support the administration's decision to halt transfers to Yemen, abruptly changing transfer policies in reaction to the latest threat is not in itself a solution. Secretary Feltman, Ambassador Benjamin,

Are we developing any policies to directly address weaknesses in Yemen's ability to receive Guantanamo detainees? When will Congress be briefed on the administration's Guantanamo transfer policies?

Answer. The administration has always sought to ensure that detainees are transferred from Guantanamo in a manner consistent with the national security and foreign policy interests of the United States. In the case of Yemen, we thought it prudent to suspend repatriations of Yemeni detainees in light of the current security situation in Yemen. Concurrently, we are working with the Government of Yemen to assist in its efforts to improve the capacity of its CT forces and we have seen an improved performance of those CT forces in recent months.

Regarding briefing Congress on Guantanamo transfer policies, we understand that the White House is coordinating briefings from the relevant officials from the Department of Justice, Department of Defense, Department of State, and others.

RESPONSES OF COORDINATOR FOR COUNTERTERRORISM DANIEL BENJAMIN TO
QUESTIONS SUBMITTED BY SENATOR ROBERT P. CASEY, JR.

Question. The potential threat emanating from extremists carrying American passports and the related challenges involved in detecting and stopping homegrown operatives is substantial. What are we doing to mitigate the threat posed by the 36 American ex-convicts in Yemen? How would you recommend that we address the U.S. prison radicalization problem?

Answer. The presence of al-Qaeda in the Arabian Peninsula (AQAP) and related extremists in Yemen is a primary threat to the United States, U.S. interests in Yemen, and a grave threat to the security and stability of the Government of Yemen (ROYG). Yemen is continuing operations to disrupt AQAP's planning and deprive its leadership of safe haven within Yemen, and along with the increased commitment of the United States and international partners to strengthen Yemen's security, will continue to seek out any and all AQAP threats. Additionally, the U.S. Government has put stringent new security measures in place in response to the failed December 25 terrorist attack involving anyone traveling to the United States. However, persons bearing U.S. passports are U.S. citizens and entitled to travel to the United States. That said, when their actions appear to involve a violation, or potential violation, of law, the U.S. Government can and does inform the proper law enforcement entity, consistent with the Privacy Act protections afforded to all U.S. citizens. In accordance with 22 CFR 51.70 and 51.72, a Federal or State law enforcement agency can request the denial of or revocation of a passport. In addition, recognizing that even our own citizens can pose a threat, the United States is reviewing other measures, consistent with United States law, which we can implement. U.S. citizens in Yemen are subject to Yemen's criminal laws and can be subject to Yemeni law enforcement measures with appropriate notification to the United States through diplomatic channels.

Prison radicalization within the United States is not an issue that the Department of State would normally address. I would refer you to the Departments of Justice and Homeland Security for information on their efforts on U.S. prison radicalization. The Department of Justice would be better suited to answer any questions on the radicalization of prisoners within the United States.

Question. Between 2000 and 2002, in the wake of the USS *Cole* bombing and the 9/11 attacks, Yemen requested that the United States create a Yemeni Coast Guard and train certain counterterrorism units. What new programs are now needed inside Yemen to boost its security forces?

Answer. The U.S. Government (USG) provides security assistance based on USG policy and strategic objectives, and detailed in-country assessments by subject matter experts of the country's needs and ability to absorb the equipment and training. On the security assistance front, the United States provides training and assistance

to Yemen's Central Security Forces (CSF) and other services called upon to engage in counterterrorism operations. Through Diplomatic Security Antiterrorism Assistance (DS/ATA) programs we provide training to security forces in the Ministry of Interior, including the Yemeni Coast Guard and the Central Security Force's Counterterrorism Unit (CTU). We plan to steadily increase our security assistance to Yemen this year and in the coming years. Our determination of what additional assistance will best address Yemen's security requirements will be based on Government of Yemen (ROYG) input, our own formal assessments, and consultations with our regional and international partners.

RESPONSE OF ASSISTANT SECRETARY JEFFREY FELTMAN TO QUESTION SUBMITTED BY SENATOR ROBERT P. CASEY, JR.

Question. Counterterrorism efforts in Yemen hit a low point in February 2006 when 23 al-Qaeda terrorists, including the mastermind of the 2000 USS *Cole* bombing, escaped from a Yemeni prison. How confident are we that the Yemeni Government won't tolerate terrorists to escaping from their prisons? What can the United States do to bolster Yemen's capabilities to secure high value suspects?

Answer. Yemen's history of high-profile terrorist releases and escapes is a serious concern, but we are pleased with the recent commitment that President Saleh and the Yemeni Government have shown to confront the threat of al-Qaeda, recognizing al-Qaeda as a threat to the people and state of Yemen. The United States is continuing to work with our international partners and the Government of Yemen to encourage reform in many of the areas of the criminal justice system involved in arresting, prosecuting, convicting, and incarcerating terrorists.

RESPONSE OF BARBARA BODINE TO QUESTION SUBMITTED BY SENATOR ROBERT P. CASEY, JR.

Question. How can the administration and Congress provide more assistance to Yemen in an effective way? What are the obstacles to delivering development assistance to disaffected tribes in insecure areas? How can aid providers circumvent high levels of corruption found in the Yemeni Government?

Answer.

MORE EFFECTIVE ASSISTANCE

Provision of effective assistance to Yemen, assistance that develops the capacity of the state and society to better manage its own development and delivery of basic services, does not require a major influx of USAID personnel or American contractors. Quite the opposite. The United States and other project donors should seek out and develop local capacity to plan, direct, and implement development assistance and service delivery. There are a number of existing avenues and partners within Yemen already.

1. Existing Structures

The ministries of planning, health, and education, among others, have competent ministers with competent deputies. While there is not tremendous bench-depth, we can and should work through them in design and delivery of projects. This can be augmented by USAID officers in a partnership capacity and select American, international and local NGOs. We need to work with and through those elements of the Yemeni Government that have a shared commitment to effective development, assist in their capacity-building, not undermine or delegitimize them.

USAID describes the Yemeni Social Fund for Development as "a particularly strong and well-funded development agency within the Yemeni Government . . . established in 1997 as an administratively and financially semiautonomous agency (with a) mandate to improve access to basic social service for low-income groups and to provide an example of an effective, efficient, and transparent institutional mechanism for providing social services . . . It refines social service delivery approaches and empowers local communities to take charge of their local development. The SFD is generally considered one of the most effective branches of the Yemeni Government, in particular in the areas of community development, capacity-building and small and microenterprise development." (Emphasis mine). Yet the SFD is not a USAID/Yemen partner. When I was Ambassador the Embassy managed a nearly \$50 million assistance program largely through technocratically led ministries and the SFD (there was no USAID mission). We were deeply impressed by the professionalism,

talent, accountability, data collection and retrieval capabilities and rigor of the Fund and the young Yemenis who established and ran it (one of whom is now the Minister of Planning). The SFD is the sort of institution we should hope to create as a legacy of our assistance. Fortunately, we do not need to invent it; it already exists. It should be a full partner. If this requires modifications to USAID regulations, then we need to adjust and adapt ourselves to do so.

Yemeni civil society is robust and active. Again, if capacity development is a goal, working through local NGOs is a mechanism. As a start, there is an umbrella organization of NGOs headed by or directed at women's issues that should be a full partner.

Working through Yemeni partners may appear to some as less efficient than direct American implementation. It does require sharing of decisionmaking, priority setting and negotiations on timelines. However, in the long run, it allows us and the Yemenis to address a number of goals—capacity and delivery—simultaneously.

As an example—when I was Ambassador we decided, in consultation with the Yemeni Government, to establish an interministerial, multidonor landmine eradication and rehabilitation program for one of the most landmine impacted countries in the world. There was enormous pressure from Washington to bring in American contractors to do the work. We opted instead to develop a Yemeni capacity. American trainers, equipment support and advice were needed for a few years in a train-the-trainer program. When I left, there was an indigenous, virtually self-sustaining program that had already rendered Aden mine free.

2. Consistent Funding

Neither the U.S. Government, the most committed Yemeni technocrat nor the most dedicated NGO can devise, design, plan, and implement a successful program without confirmed, consistent funding. USAID has a 3-year strategy—and even that is not long term enough—but it is dependent upon annual congressional appropriations and administration funding priorities, the vagaries of other demands and of bilateral disputes. Programming should be set for a 3-to-5-year period, and full funding appropriated. We have been a very inconsistent partner.

3. Better USG coordination

U.S. development assistance comes from a variety of sources—USAID, State (MEPI), DOD (CMES and MIST), Justice, Treasury, USTR, and Commerce, etc. USAID describes the relationship with DOD as “must collaborate closely with DOD where feasible.” Further, there is no formal partnership between MEPI and USAID/Yemen. There is an interagency team at Embassy Sana'a and efforts to coordinate at the Washington-level, but a stronger mandate should be given to the Ambassador as the President's representative to formally coordinate the various programs and efforts.

DISAFFECTED TRIBES IN UNSECURE AREAS

There are considerable obstacles to delivery of development assistance to disaffected tribes in insecure areas. There are also considerable obstacles to a development assistance program that is structured through a prism of “disaffected tribes” and an assumption of “insecure areas.” The current USAID strategy and efforts by other agencies tend to target “high risk” areas based on our core concerns rather than targeting areas based on need. A couple of downsides to this approach:

- Most important, it defines Yemeni society as overly “tribal.” These are settled, agricultural towns and villages and their needs and priorities should be community based (geographic) not tribally based (familial lineages). This is not Anbar in Iraq.
- It risks the appearance of rewards for bad behavior. Decisions on projects should be based on need, not on how much trouble you cause or threaten.
- It risks the appearance of corruption. We are “buying off” tribal leaders with the provision of projects.
- It risks created other disaffected areas, or tribes, who are not selected.
- To the extent there is disaffection, and there is, it is with the Yemeni Government's ability to provide services, the USG providing for rather than providing through does not address the question of citizens' views of their own government's capacity or effectiveness.
- Finally, the judgment on what is “insecure” is overly broad within the USG. USG personnel have been sequestered to such an extent that it significantly and negatively effects their ability to operate within the country, and thus to understand and make independent judgments. The U.S. military is not a suitable alternative. We are not at war with or in Yemen, the Yemeni are not the enemy and we do not wish them to believe that is how we see them, and to

militarize development assistance distorts the message. The most practical and beneficial alternative is working through Yemeni partners and NGOs.

CIRCUMVENTING—OR ADDRESSING—HIGH LEVEL CORRUPTION

Aid providers can circumvent, or at least mitigate, the high levels of corruption in the government.

- First, neither we nor most donors provide checks to the government. Assistance is program and project based.
- Second, whatever the level or extent of corruption it is not universal within the government. An Embassy and USAID mission that works broadly within Yemen and closely with both Yemeni partners and other donors will know who the credible partners are, and who is not.
- Third, one of our major objectives should be to work with and help strength the various entities and agencies established by the Yemeni Parliament, the Yemeni Government, and Yemeni NGOs to address this problem. Corruption is perhaps the most corrosive threat to state legitimacy in Yemen, and elsewhere. It must be addressed, but its eradication is not a realistic goal and the establishment of fully credible and effective entities cannot be a precondition to assistance.
- Press reports on high-level corruption by U.S. contractors in Iraq and Afghanistan undermine overly moralistic rhetoric on our part as does our willingness to work closely with elements within the Yemeni military, reputed to be one of the most corrupt elements of the Yemeni Government.

Finally, I would note that corruption is a symptom of more than simple human greed. The Yemeni civil service is untrained and grotesquely underpaid. Even a Cabinet minister makes only about \$300/month. This neither excuses or justifies corruption at any level, and does not diminish its effects on government legitimacy. It does however underscore the need to work on the roots of the problem—capacity, professionalism, state revenues—as well as the mechanisms to forestall it, as is the goal of the reforms on contracting, criminalize it and prosecute it.

RESPONSE OF EMILE NAKHLEH TO QUESTION SUBMITTED BY
SENATOR ROBERT P. CASEY, JR.

Question. Yemen's appeal to al-Qaeda is not limited to its location on the Arabian Peninsula. An education system whose textbooks still promulgate a degree of anti-American and anti-Israeli ideology produces young men vulnerable to al-Qaeda's exploitation, as does the country's 35 percent unemployment rate. What do you recommend to address education reform in Yemen?

Answer. Although unemployment and poverty, especially among the youth, create an environment conducive to radicalization, education—especially at the grade school and secondary school levels—is the most critical agent that shapes and nurtures a narrow, intolerant, and exclusivist worldview among Yemeni students. We have seen similar school curricula and textbooks in other Arab and Muslim countries that are heavily grounded in a narrow interpretation of Islam and that promote a self-centered mindset. Of course, these curricula vary from one country to the next, with Saudi Arabia being the most conservative and Morocco the most tolerant.

Addressing the education issue in Yemen requires us taking several steps simultaneously within the Muslim world engagement that President Obama announced in his Cairo speech June 6 of last year.

1. Request that our USG experts obtain and analyze large samples of textbooks from Yemeni grade schools and secondary schools, especially in history, geography, social studies, and language arts. The purpose of the exercise is to see what's included in these textbooks about Israel, the "Jews," Western colonialism and imperialism, U.S.-perceived anti-Islamic policies, and the Israeli-Palestinian conflict and the "suffering" of the Palestinian people.

2. Engage U.S. and Yemeni civil society groups and NGOs with expertise and interest in education, and working indirectly with the Yemeni Government, to review the curriculum and the textbook with an eye toward including more science, technology, and business modules in the curriculum. Do not/engage in any discussions or debates on the theological or religious content of the curriculum. We should make it clear to the Yemenis that we are interested in reforming their curriculum as much as helping them develop a curriculum that will help their high school graduates compete in the job market of a 21st century globalized world.

3. Urge the Yemeni Government to review the curricula of private/religious schools with an eye toward making such curricula conform to the government education policy. It's important that the textbooks used in religious schools be similar to those used in public schools. If religious schools refuse to cooperate, the government should withdraw their licenses to operate.

4. As part of engaging Muslim (and other religious) communities, our government should bring a number of grade school and high school teachers and principals to the United States to visit similar schools and teacher training centers. Such visitors would learn that modern and more tolerant education tends to produce a more competitive generation in the market place.

5. Encourage Yemeni indigenous, legitimate, and credible civil society institutions in the field of education to start a public debate among Yemeni educators on the virtues of tolerant education and the benefits that such curriculum—whether in Morocco, Turkey, or Indonesia—offers to the youth.

