
Thursday, December 1, 2016

**THE FUTURE OF COUNTER-
TERRORISM STRATEGY**

U.S. SENATE
COMMITTEE ON FOREIGN RELATIONS
114TH CONGRESS, SECOND SESSION

WITNESSES

HON. JUAN C. ZARATE, Chairman and Co-Founder, The Financial Integrity Network, Washington, DC.

HON. DANIEL BENJAMIN, Norman E. McCulloch Jr. Director; John Sloan Dickey Center for International Understanding, Dartmouth University, Hanover, NH.

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WASHINGTON, D.C.

1 The committee met, pursuant to notice, at 10:32 a.m. in Room SD-419, Dirksen
2 Senate Office Building, Hon. Bob Corker, chairman of the committee, presiding.

3 Present: Senators Corker [presiding], Risch, Rubio, Johnson, Gardner, Perdue,
4 Paul, Cardin, Menendez, Shaheen, Coons, Murphy, Kaine, and Markey.

OPENING STATEMENT OF HON. BOB CORKER, U.S. SENATOR FROM TENNESSEE

5 **THE CHAIRMAN.** The Foreign Relations Committee will come to order.

6 I want to thank our witnesses for being here. It is great to be back with all of
7 you. We had a little time off here.

8 I want to thank our witnesses for testifying today. Both of you have had long
9 careers working to defend our country against terrorists, and today is a great
10 opportunity for us to learn from your experiences and hear your insights about the
11 future.

12 As the Mosul operation continues and the Raqqa campaign begins, ISIS could
13 soon lose the most important territory it has held. As ISIS changes from an
14 organization intent on retaining territory to one focused more on inspiring and

1 directing violence and spreading radical ideology, the next administration is going to
2 face new and perhaps even more and more diverse sets of problems.

3 We have seen ISIS and other groups employ multiple different tactics, from
4 organized external networks directing coordinated attacks in Europe to huge suicide
5 bombings in the Arab world, to inspired attacks by lone wolves in the United States,
6 like those that are current in my hometown of Chattanooga, Orlando, San Bernardino,
7 and this week at Ohio State University.

8 I hope you can help us think about the evolving nature of terrorist organizations
9 and what tools the United States needs most to counter them. ISIS and al Qaeda have
10 proved to be resilient in the face of extreme pressures, reinventing themselves and
11 taking advantage of conflicts around the globe to root into local populations.

12 With the world now focused on ISIS in Iraq and Syria, what can we do to best
13 prepare for the next iteration of ISIS or al Qaeda? How can we recognize a radical
14 ideology is taking root and ways to best combat it?

15 And finally, both of you have served in different administrations that created
16 new structures and positions to combat terrorism. I think we could appreciate your
17 views on what could be done going forward to better coordinate the whole-of-
18 government approach to combatting terrorism.

19 Again, I want to thank you both for being here, and I want to turn to our
20 distinguished ranking member, my friend Ben Cardin.

STATEMENT OF HON. BEN CARDIN, U.S. SENATOR FROM MARYLAND

1 **SENATOR CARDIN.** Well, Mr. Chairman, first, it is good to be back with
2 hearings. It has been an interesting recess that we have had, and we are certainly
3 looking forward to this hearing and the work of this committee.

4 This is a very important hearing, so I thank you for scheduling it. It is very
5 timely as we deal with an incoming new administration and the incredibly important
6 subject of countering terrorism.

7 You have made many points that I totally agree with. We need to build on the
8 success that we have seen in combatting ISIL. Ramadi has been liberated. Mosul is in
9 the process of being liberated. Raqqa is just a matter of time before the headquarters of
10 ISIL in Syria falls. ISIL itself has said its days of the caliphate are limited, and I think
11 that reflects the point that you raised, that there is more to this than just territory, and
12 we have to be prepared for the continued vulnerabilities of particularly open and free
13 democratic societies.

14 What has been particularly encouraging, though, in the region is that we have
15 seen, as these areas are being reclaimed, that it is local security forces that are
16 maintaining the security, which is absolutely essential, and there is a recognition by the
17 governance that they need to represent all the people. Now, that is a continuing
18 process, but that is very much part of the overall strategy to counter terrorism.

1 But as you pointed out, terrorist groups are rather flexible, and they figure out
2 different ways to cause mischief. They use their ideology to recruit, and we see also
3 self-taught terrorists. When ISIL has been uprooted in Iraq and Syria, it will still seek to
4 spread its barbaric ideology everywhere it can and inspire the desperate, the deluded,
5 the delusional to strike out at the innocents in their country.

6 Military action is very important, especially our Special Forces, which can and
7 have been extremely effective in dealing with plans and generating intelligence that is
8 very important to our game plan. However, it is only one tool that must be used.
9 Defense through domestic police and investigative forces is also paramount, in
10 cooperation with each other and their counterparts in other countries, especially within
11 Europe, which has been the target of so many of the ISIL and al Qaeda attacks. As we
12 learned so painfully, bureaucratic barriers to the exchange and analysis of information
13 about potential terrorists and their plans must be torn down.

14 We need to work together. We need to work with all of the tools that are
15 available in all of the countries that are in our coalition to fight terrorism, and we must
16 figure out more effective ways in order to accomplish that. We must give at least equal
17 attention and resources to countering the social media appeal, the ideology, the lies, and
18 all the different contributing conditions that provide fertile ground for groups like ISIL
19 to grow and flourish.

1 Mr. Chairman, we have spent trillions of dollars in our fight against terrorists.
2 Most of it, over 90 percent, goes to the Department of Defense, as is needed. I do not
3 disagree with our support of our men and women who are defending our country. We
4 need resources in diplomacy and development assistance, the so-called “soft powers” of
5 building democratic institutions, and I think it is our committee’s responsibility to be
6 there in order to understand that. So I very much appreciate this hearing.

7 We must not only pursue a whole-of-government approach to counter terrorism
8 but a whole-of-government perspective as well. We cannot do this alone. We need our
9 coalition partners.

10 I want to mention one last point where I think we have to be very careful in our
11 language and in our actions. Quite frankly, anti-Muslim promises and songs about
12 instituting a Muslim ban on immigration, profiling and increased violence on Muslims
13 threaten to isolate the United States. To me, that is counter to the strategies we need in
14 order to fight extremists. So identifying Islam itself as a terrorist source, thinking
15 somehow that directly attacking the religion of over 1.6 billion people will make them
16 more willing to help us is just fallacy. We need to recognize that there is a global effort
17 to stop extremists, and what we say and what we do has a major impact on that.

18 So, Mr. Chairman, I look forward to hearing from our witnesses. I would like to
19 just conclude by pointing out that we have self-grown terrorists here. We have to deal
20 with those issues. Significant attacks have been carried out here by persons motivated

1 by racism, by homophobia, by radical political objectives, and that needs also to be part
2 of our equation.

3 So I look forward to this hearing. I look forward to working with all the
4 members of this committee to make America safe.

5 **THE CHAIRMAN.** Thank you, sir. I appreciate that. I appreciate those comments.

6 I might take a personal privilege here for just one moment to welcome Tim Kaine
7 back. It is good to have you back here. I know you have had quite an adventure, and I
8 look forward to hearing about it.

9 **SENATOR KAINE.** What I did on my summer vacation.

10 [Laughter.]

11 **THE CHAIRMAN.** I understand you have quite a star that you have added to the
12 committee that this may be the first hearing. Is that correct?

13 **SENATOR CARDIN.** If I might, Jessica Lewis is the staff director for the
14 Democrats on the Senate Foreign Relations Committee. She comes to this committee
15 with a great deal of experience, having worked with Senator Menendez, having worked
16 with Linda Reed on intelligence issues, and has a vast knowledge of the Senate Foreign
17 Relations portfolio. So it is wonderful to have her working as part of our team.

18 **THE CHAIRMAN.** We have had a lot of interaction with her because of the role she
19 played, and we certainly look forward to working with her here on the committee.

20 With that, welcome.

1 To our witnesses, our first witness today is the Honorable Juan Zarate, Chairman
2 and Co-Founder of the Financial Integrity Network. Previously Mr. Zarate served as
3 the Deputy Assistant to the President and Deputy National Security Advisor for
4 Combatting Terrorism from 2005 to 2009. He also served as the First Assistant Secretary
5 of the Treasury for Terrorist Financing and Financial Times.

6 Our second witness today is the Honorable Daniel Benjamin from the Dickey
7 Center for International Understanding at Dartmouth University. Among other roles,
8 Mr. Benjamin previously served as Ambassador-at-Large and Coordinator for
9 Terrorism at the State Department and as Special Assistant and Director for
10 Transnational Threats for President Bill Clinton.

11 We thank you all for being here. You all have been before this committee or have
12 been a part of it, I am sure, many times. If you could keep your comments to around 5
13 minutes, we would appreciate it. Your written testimony, without objection, will be
14 entered into the record. We thank you for being here.

15 If you would start in the order of introduction, we would appreciate it. Just to let
16 Senator Cardin know in advance, I am going to defer to you on questioning first and
17 create interjections along the way.

18 So, Mr. Zarate?

**STATEMENT OF THE HONORABLE JUAN C. ZARATE, CHAIRMAN AND CO-
FOUNDER, THE FINANCIAL INTEGRITY NETWORK, WASHINGTON, D.C.**

1 Mr. Zarate: Chairman Corker, thank you for the kind introduction. Ranking
2 Member Cardin, it is wonderful to see you again. Distinguished members of this great
3 Committee on Foreign Relations, thank you again for the invitation and the honor to be
4 with you today, especially today to talk about our counter-terrorism strategy.

5 Let me say welcome to Senator Kaine, my home senator as well. It is good to see
6 you again, sir.

7 I also want to say I am honored to be here with Ambassador Dan Benjamin,
8 somebody who served our country with great distinction in a number of roles over the
9 course of years, and I have been honored to watch his work and have been privileged to
10 become his friend, I hope.

11 But this is an important moment, Mr. Chairman, to have this hearing. Fifteen
12 years after 9/11, we face a more diverse and complicated global terrorism threat. We
13 have continued in quickening adaptations from groups like ISIS and still al Qaeda, and
14 with a new administration set to take over, it is a critical moment to take stock of where
15 we have been, some lessons learned, and to start to shape a counter-terrorism strategy
16 to defeat the persistent threat of violent Islamic extremism.

17 Mr. Chairman, you have asked us to address a number of issues, including the
18 nature of the metastasizing threat and what lessons have been learned from the rise of
19 ISIS, and perhaps its demise.

1 There is no doubt terrorist groups continue to learn from each other, Mr.
2 Chairman, with demonstration effects of attacks, methodologies, and messaging
3 echoing instantaneously around the world. These groups and their adherents adapt
4 quickly to pressure and opportunity, leveraging elements of globalization and modern
5 communication while exploding seams in security, along with weaknesses in
6 governance to their full advantage.

7 The rise and reach of ISIS has driven much of this adaptation, and we have
8 witnessed this over the past few years. Likewise, al Qaeda affiliates have continued to
9 perpetrate terrorist attacks from West Africa to Yemen, and now Al Qaeda is smartly
10 rebranding itself in key conflicts and war zones, including in Syria.

11 But there has been significant pressure on ISIS, which is good news. There has
12 been important and increased pressure on its safe havens physically in Iraq and in Syria,
13 targeting of the organization's key leadership, especially taking off the battlefield
14 operational core leaders focused on external planning.

15 The Treasury Department, the military, the intelligence community have
16 increased the pressure on the ISIS war chest. In fact, ISIS' budget is significantly
17 constricted. They have had to cut their foreign fighter salaries by 50 percent and
18 suspended what are important death benefits to families of ISIS fighters killed in
19 combat.

1 And importantly, in demonstrating the loss of ISIS' physical space, losing its so-
2 called "caliphate," we have begun to shatter the myth of ISIS victory and the allure of
3 the caliphate that has really been the siren song for ISIS and its global movement.

4 So the effect of this pressure is good news, but it is certainly not the end of the
5 story. Mr. Chairman, as you have set out, we need to worry about what the next
6 chapter looks like and what comes next.

7 With adaptations on the horizon, ISIS will certainly remain a player in the
8 context of the Syrian civil war, especially as it continues and to the extent that they can
9 hold some territory. If ISIS is driven out of major cities, as we hope they will be, it could
10 continue to strike using classic terrorist tactics. If it contains and maintains its provinces
11 and platforms, there will be an opportunity to use those platforms, from West Africa to
12 Southeast Asia, to support and reinforce a new network even if they do not have a
13 functioning capital or control of vast swaths of territory.

14 And even though many of the ISIS foreign fighters will die, no doubt, in defense
15 of territory in Iraq and Syria, there is a very long and real tail to the foreign fighters and
16 cells returned to the West, Asia, Africa, and Australia. ISIS can also survive through the
17 influence of a digital diaspora. ISIS has already proven its ability to innovate the use of
18 targeted messaging and social media for recruitment and inspiration. And there has
19 also been, unfortunately, a powerful digital afterlife to many of the radical ideologues
20 and operatives for ISIS and al Qaeda.

1 Importantly, al Qaeda has taken advantage of the attention ISIS has drawn to
2 reinvigorate its networks, including having training camps in al Qaeda that have come
3 to the U.S. Government's attention in recent months. The danger in the environment,
4 Mr. Chairman, is something this committee knows well, the growing proxy battles in
5 the region between Sunni and Shia forces. The danger here is that the proxy battles will
6 no doubt grow worse and these groups will be seen as a response and a defense against
7 Iranian and Shia-backed militias and terrorist groups.

8 Now, the demonstration effect from ISIS has been real, and, Mr. Chairman, it is
9 dangerous. They have developed terrorist methodologies that have been improved
10 over time. They have been allowed time and space to do so. They have experimented
11 with drones, used chemical weapons, developed tunnel systems, classic things that an
12 insurgency and a terrorist group does.

13 They have also directed different types of attacks. They have obviously directed
14 sophisticated attacks of the types we have seen in Paris and Brussels. They have also
15 begun to frame attacks, entrepreneurial attacks for followers and those who are
16 adherents. And finally, as we have seen in recent months, they have amplified their
17 attempts to inspire attacks-in-place for fellow citizens to attack in the countries in which
18 they live with the simplest means possible, including running over pedestrians.

19 ISIS has innovated in terms of its use of media and recruitment, using targeted
20 social media to isolate and radicalize. It has perfected the use of multiple media forms,

1 consistency and quality across all of its products. And though not successful, the
2 organization has developed governing structures, schools, and even court systems that
3 have allowed it to experiment with controlling populations, imposing its rule, and
4 embedding itself ideologically with young generations.

5 There is also a cautionary tale, Mr. Chairman. The problems that ISIS has
6 encountered will be a cautionary tale to other groups. Other groups will note the
7 disillusionment of those who joined ISIS and tried to flee, the inability to keep
8 populations satisfied or at bay, and the ultimate inability to consolidate its control of
9 territory and rule.

10 Finally, Mr. Chairman, you asked us to reflect on key ideas or focus of our U.S.
11 counter-terrorism strategy, and I know I am over my time. Let me be really succinct
12 here in terms of some key principles and elements of a strategy.

13 First, Mr. Chairman, we have to realize that the underlying ideology and appeal
14 of these violent extremist organizations animates these terrorist movements. This is not
15 just a threat about one particular group or one manifestation. This is an ideology that
16 has manifested in a variety of ways and that will continue to drive the threats from this
17 violent extremist movement.

18 I was recently part of a study at CSIS led by former Secretary of Defense Leon
19 Panetta and former U.K. Prime Minister Tony Blair that set out a new comprehensive
20 strategy for countering violent extremism. I have included some elements of that report

1 in my testimony. I would ask people to look at that because it lays out a new approach,
2 new resources, and new methodologies to deal with the underlying ideology.

3 Second, Mr. Chairman, the laws of physics apply to counter-terrorism. You
4 cannot forget that. We have to physically disrupt the ability of these groups to
5 organize, control territory, to lead, and to plot. I think we have lost sight of that at
6 times, thinking that we can push magic buttons in New York and Washington and have
7 the problem go away. The reality is you have to dislodge these groups from their hold
8 on territory, and that has been especially the case with ISIS.

9 Mr. Chairman, effective and trusted partnerships are essential. We cannot do
10 this alone, obviously, and what Dan did at the State Department, what we did prior in
11 the Bush Administration to create regional alliances to deal with the emergence of these
12 groups in places like East Africa, Southeast Asia, becomes essential moving forward.
13 We cannot be in all places at all times dealing with the emergence of these groups.

14 Mr. Chairman, this is also important for this committee: Our counter-terrorism
15 strategies cannot be divorced from a coherent national security and foreign policy. It is
16 often the case that administrations say we do not want counter-terrorism to be the sole
17 driver of our foreign policy, but the reality is it suddenly becomes the priority,
18 especially when dealing with conflict zones or crises and direct and imminent threats to
19 the homeland. But the reality is these are complicated environments -- Syria, Yemen,

1 other conflicts where these terrorist threats emerge-- and we have to have
2 comprehensive and coherent foreign policies to address the underlying issues.

3 And finally, I want to echo something that Senator Cardin said. I think words
4 and lexicon matter quite a bit. How we define the enemy matters in terms of our
5 strategic approach. How we talk about our allies and our approach matters to creating
6 a sense of unity with our coalition. Our language should reinforce our alliances,
7 strengthen our messages and ideals, and certainly undercut the appeal of our enemy's
8 vision of the world.

9 Mr. Chairman, I know I have taken a lot of time here, but I think certainly with
10 the right strategy, focused resources, institutions we have put in place, we can handle
11 this problem, but we have to be focused and be imaginative in terms of where the
12 manifestations of this movement will emerge, and we cannot be afraid to imagine the
13 worst because we have to get ahead of the curve, because these are actors that are
14 innovative, smart, and constantly using time, space, and resources to their advantage.

[The prepared statement of Mr. Zarate follows:]

[COMMITTEE INSERT]

15 **THE CHAIRMAN.** Thank you.

16 Mr. Ambassador?

**STATEMENT OF THE HONORABLE DANIEL BENJAMIN, NORMAN E.
McCULLOCH JR. DIRECTOR; JOHN SLOAN DICKEY CENTER FOR
INTERNATIONAL UNDERSTANDING, DARTMOUTH UNIVERSITY,
HANOVER, NH**

1 Ambassador Benjamin: Chairman Corker, Ranking Member Cardin,
2 distinguished members of the committee, thank you very much for the opportunity to
3 appear today. Thank you for holding a hearing on this vitally important subject on
4 counter-terrorism strategy, and thank you for appearing me with my old friend and
5 colleague, Juan Zarate, with whose testimony I am in broad agreement.

6 As we approach the beginning of a new administration, as we watch events
7 unfold in the Middle East and the continuing damage being done to ISIS, key questions
8 about our future plans and orientation are on the table. Let me begin by noting that
9 over the past several years the United States has made significant progress against the
10 major jihadist terrorist groups in the extraordinarily complicated and roiled world that
11 was created by the chaos post-Saddam Iraq and the Arab uprisings of 2011 and after.
12 Nevertheless, we face a range of threats that is increasingly diverse and more widely
13 distributed geographically. The continuing appeal of the jihadist narrative and the
14 adaptive nature of these groups pose an enduring challenge to our national security.

15 At home -- well, let me just say briefly that we saw in the period 2011 through
16 2014 a dramatic rise in global terrorism. At home, the San Bernardino and Orlando
17 attacks more than doubled the number of jihadist-related deaths in the United States
18 since the attacks of 9/11. The total, I would add, comes to 94, and that number, judged
19 by any reasonable standard, is low and a testament to the extraordinary measures that

1 the nation has taken since 2001 in law enforcement, intelligence, military operations,
2 and migration.

3 It also reflects the high level of integration of the American Muslim communities
4 who have remained largely immune to the call of extremism. Indeed, if we consider
5 that there have been upwards of 225,000 homicides in the nation in this period, the
6 American populace I would argue has been remarkably well protected from this form
7 of violence, even if the public discussion does not reflect this level of security. I say that
8 recognizing full well that terrorist attacks carry unique and peculiar horror and that
9 their toll must also be reckoned in terms of public confidence in our institutions and
10 perceptions of our global standing.

11 Having said all that, ISIS today is on the defensive. It has lost some 55 percent of
12 the territory, inhabited territory captured in Iraq in 2014. It remains dangerous by
13 virtue of the sanctuaries that it has where it can recruit, train, and execute external
14 attacks, as we have seen in Europe, and to incite assailants around the world. Recent
15 attacks in Europe further demonstrate that ISIS now has the intent and capability to
16 direct and execute sophisticated attacks far from its territory. These attacks have
17 increased in complexity and pace and are clearly intended to maximize casualties.

18 In the United States, the threat of ISIS is somewhat different and on a smaller
19 scale. The group to date has not had command and control of any of the attacks that
20 have occurred here. Lone actors or insular groups, often self-directed, pose the most

1 serious threat, and home-grown violent extremists will likely continue gravitating to
2 simpler plots often involving firearms that do not require advanced skills, outside
3 training, or communication with others.

4 Terrorism has its own political economy, and for ISIS to retain its mantle of
5 leadership in the jihadist movement it must achieve successes that offset and distract
6 from its military setbacks. Many of those efforts are likely to be in Iraq and Syria since
7 the local forces' ability to hold and reconquer territory will be limited.

8 Continuing sectarian polarization in the region will mean that however
9 unattractive they may find ISIS, many Sunnis will support it as a counter to the Shia-
10 dominated government in Baghdad and to Shia militias. Major population centers,
11 including Baghdad and other cities, are likely to see considerable terrorist violence.

12 ISIS understands as well that another means to maintain its status is to strike out
13 of area, especially in Europe and, if possible, North America. And as it loses its grip
14 held on land since 2014, the operational tempo could well increase.

15 Now, as I said before, to date we have no evidence of command and control in an
16 ISIS attack in the United States, and I think we should be mindful of the reason why,
17 because contrary to the situation that exists in Europe, and contrary to some of the
18 rhetoric that we heard in the recent campaign, we do not have a dysfunctional
19 immigration system, and we do know who is coming into our country. We have a
20 highly sophisticated system with many layers. Its procedures have been steadily

1 expanded and refined to the point where it bears little resemblance to the system whose
2 vulnerabilities were exposed on 9/11.

3 It is, of course, a human system, and therefore there will be another failure at
4 some point. But since 9/11, it is important to underscore that every attack, every
5 casualty caused in this country was caused by someone who was either a citizen or a
6 green card holder.

7 We should, I must say -- and this is an echo of Senator Cardin and of what Juan
8 has just said -- we should expect that danger to grow if the tone and the approach of the
9 new administration resemble in any way the tone and the approach of the campaign.
10 The U.S. public had already been subjected to an enormous amount of fear-mongering
11 while ISIS was on the rise in 2014. Threats to cut off all Muslim immigration, restore
12 water-boarding and other forms of torture, create a national registry of Muslims, and
13 kill the families of terrorists have all contributed to a profound unsettling of American
14 Muslim communities. This will undermine our security in far-reaching ways, I fear.

15 It is important to remember that while intelligence and law enforcement do a
16 great deal to prevent attack, it is also because of the American Muslim community,
17 which has been largely immune to extremism, that the number of victims is so low. Not
18 only are they immune to extremism but they are also the source of a large percentage of
19 the law enforcement and intelligence tips that prevent plots from occurring.

1 Now, I recognize that the time is short, and I do just want to get to a few of the
2 other issues that you have asked about. But I do want to just say that, first of all, we
3 should have no illusions about our ability to eliminate the jihadist threat, which I think
4 is a persistent problem, particularly in policy debates. Given the historic dimensions of
5 the changes in the Middle East, I am afraid that we will be seeing terrorist violence and
6 jihadist violence for decades to come. It is nonetheless a threat that I believe we can
7 defend against and manage if we remain clear-eyed and do not make the mistake of
8 over-reaction that the jihadis hope we will.

9 On the military side, I think that we have innovated and developed really an
10 extraordinary toolkit that will enable us to continue reducing terrorist/insurgent groups
11 in a very effective way, and this is really the refinement of the drone program together
12 with Special Operations in-theater that have been so effective at intelligence gathering
13 and, by the way, enabling local forces and targeting high-value operatives and leaders.

14 As a way of avoiding putting large numbers of forces into a combat role, this
15 approach has been successful, although it requires a great deal of patience while the
16 intelligence base is built. But those costs in terms of time are more than offset by the
17 lack of radicalization that ensues from large deployments.

18 We need to do more capacity building. The Obama Administration pursued this
19 vigorously in its second term and I think that, to put it bluntly, we must have capable
20 partners, especially in the developing world, and we must have them on the military

1 side, but we must also have them on the civilian side, and that has been I think woefully
2 underfunded. We need to have partners who have courts that can convict terrorists,
3 police that can catch them, prisons that can incarcerate them, and they need to be
4 treated in a way that observes the rule of law, because, as we know, radicalization is a
5 direct response of repression.

6 We need to strengthen our relationships, and I agree with Juan on this one
7 entirely. That includes working with our Sunni partners to try to move them from an
8 excessive focus on sectarian issues to curbing extremism, and we need to work with our
9 European partners, who need to do a better job on intelligence and law enforcement.

10 We need to prevent radicalization and recruitment at home, and I will end just
11 by saying here that I think we need to rebalance our efforts away from counter-
12 messaging, which I think has not shown the kind of yield, the kind of effects that we
13 had hoped for, and towards more direct intervention in communities where teachers,
14 health care providers, religious leaders and the like can intervene when they see that
15 individuals are at risk of radicalization.

16 There is much more to talk about, but I think that is a good place to stop. I want
17 to thank you again for the invitation. I look forward to your questions.

18 [The prepared statement of Ambassador Benjamin follows:]

19 [COMMITTEE INSERT]

1 **THE CHAIRMAN.** Well, thank you both for those very expansive opening
2 comments.

3 With that, I will turn to the distinguished ranking member, Ben Cardin.

4 **SENATOR CARDIN.** Well, Mr. Chairman, first off I want to thank both our
5 witnesses. I thought you gave a very comprehensive outline on our strategies moving
6 forward to counter terrorism.

7 Mr. Benjamin, I could not agree with you more about the importance and the
8 realities of the relationships with the Muslim community has paid off major benefits as
9 far as safety in our community. Maryland has a significant Muslim community. I have
10 worked a long time on the relationship with local police, with our intelligence
11 communities, and that relationship has kept I think our state safer, and it is in
12 everyone's mutual benefit. If that trust does not exist because there is a view that by
13 helping government you are hurting your own people, then that really jeopardizes
14 everyone's safety. So, I appreciate that point.

15 Mr. Zarate, thank you for mentioning the CSIS study, "Turning Point." It
16 pointed out very clearly that we have to avoid reactions that play into violent
17 extremists' hands. It included a former al Qaeda recruiter as saying, "Radicals and
18 recruiters love Islamophobia. It drives recruitment." The report further advises that it
19 is important for governments to avoid rhetoric and responses that estrange Muslim
20 communities.

1 So I just really want to underscore that point, that we really play into making our
2 country more vulnerable when we use that type of rhetoric that estranges Muslims
3 around the world.

4 I do want to ask both of you a question, though, about what we should be doing
5 here in this committee. As I pointed out in my opening statement, most of our
6 resources to fight terrorism are on the defense side, the DOD side. This committee is
7 responsible on the State Department and on the so-called "soft powers." We know the
8 importance of good governance. We have seen that play out directly in Iraq, that if you
9 do not have a comprehensive government that all communities respect, you are not
10 going to be able to maintain peace.

11 We have resources in our State Department through diplomacy, through
12 development assistance. Where do you see the most effective use of those resources?
13 Where could we be doing better? What would you recommend should be our priorities
14 in fighting terrorism using your own terminology that we need a comprehensive
15 foreign policy? How would you have us use those tools more effectively to counter
16 terrorism?

17 Ambassador Benjamin: If I may, Senator, I believe that it is very important to
18 continue with the capacity building in the military field and the intelligence field, but I
19 think that we have lagged on the civilian side. We need to do a better job in terms, as I
20 referred to in my testimony, of training the police who deal with counter-terrorism.

1 Remember, in most of these countries, terrorism, as it is in ours, is a police issue, not a
2 military issue. We need to strengthen their ability to track terrorists, to collect
3 intelligence on them, but also to try them, incarcerate them, and also to do the work of
4 countering violent extremism which is so vital to tamping down radicalization.

5 The State Department I think does a good job to the extent that it is engaged in
6 these areas, but I think it is important to note that capacity building efforts have grown
7 exponentially in every other part of the government, and I would say perhaps
8 arithmetically --

9 SENATOR CARDIN. Mr. Zarate, I am going to give you a chance to respond, but
10 I just want to underscore that point. If you look at our development assistance, most of
11 those funds go into health programs or food programs, which are very important. I am
12 for those programs. I do not want to see those programs marginalized. But the money
13 we spend on capacity building is not very great. If we look at where the seeds are
14 already there for growing terrorists such as Africa, where we could be doing so much
15 more in capacity building, and yet our investments in capacity building in Africa are
16 very, very small.

17 Mr. Zarate?

18 Mr. Zarate: Sir, I can be quick because I agree with everything Dan has said. I
19 think there are three categories, really, for you to consider. I think there is the partner

1 capacity issue that Dan has mentioned, and that is everything from law and order to the
2 ability to govern.

3 There are the questions of the aftermath of these terrorist-held territories. What
4 happens in Mosul after ISIS is dislodged? We have seen this problem in Ramadi and
5 Fallujah. How is it rebuilt? What does governance look like? How is trust rebuilt with
6 the citizenry? We are not going to do that, obviously, the Iraqis have to do it, but we
7 have to be present and we have to have the ability to impact that.

8 And finally, a bigger question here, and it emerged in the context of the Arab
9 Spring where there was a lot of, I think, Pollyannish analysis that things would go
10 incredibly well, that the arc of history would bend in our direction in terms of the Arab
11 Spring. There was a lot of discussion at the time as to whether or not we needed to
12 consider a Marshall Plan-like structure for dealing with what was inevitably going to be
13 dislocations, lack of governance and, frankly, pockets of vacuums that terrorists and
14 jihadis were going to fill. Many of us were warning that this was probably going to
15 happen.

16 I think those three areas are three conceptual areas where this committee can
17 focus.

18 One final point. There is room for private sector engagement in a way that we
19 have not done creatively enough. In the report on countering violent extremism, we lay
20 out some very interesting ideas for how to leverage the private sector not just from a

1 media perspective but in terms of actually organizing against the manifestations of the
2 ideology as it emerges in places like Bangladesh, Nigeria, and around the world. The
3 private sector has a key role to play, and there are a number of programs that need to be
4 scaled up and supported, and I think that is something for this committee to look at.

5 **SENATOR CARDIN.** Thank you. I thank both of you again for your testimony.

6 **THE CHAIRMAN.** Thank you.

7 Senator Perdue?

8 Senator Perdue: Thank you.

9 I want to follow the money, briefly. It just seems to me, looking at this, that we
10 are at war, and sometimes we do not approach it that way. I believe our homeland has
11 been invaded. When you see the rise of home-grown terrorists, the lone wolves and so
12 forth who have been radicalized through social media and the Internet, I believe our
13 borders have been breached. I think we are at war, and I think we have got to face up
14 to that reality.

15 But I want to talk about the financing of this. Mr. Zarate, to start with, we saw
16 ISIS grow very radically early and rapidly through the use of oil resources, selling
17 antiquities. In other parts of the world we see the illicit trade of wildlife and so forth.
18 What can we do? I mean, you were the first Undersecretary that really attacked this, I
19 believe, and what I would like to get at is what are the loopholes? What are the ways

1 that we can track the money and actually fight them through the financial ways that we
2 can, and also limit their use of established financial systems throughout the world?

3 Mr. Zarate: Senator, great question, and they both link, actually, because I think
4 one of the things that we were slow to realize is that in cutting off terrorist funding,
5 which is essential to cutting off the lifeline for these groups to give life to their programs
6 to have global reach, you have to actually treat it like a war. And especially when these
7 groups are holding territory, holding resources, have populations and even financial
8 institutions at their command, we actually have to find ways of physically dislodging
9 them, and that is what has been so effective over the last year-plus. We have dislodged
10 them from their control of territory, oil resources, hit their mobile refineries. We have
11 even begun to hit them physically, their cash centers. We have seen these videos of the
12 U.S. military blowing up these cash centers and the cash flying up in the air.

13 So the first thing we have to recognize is that when these groups -- and more and
14 more of these groups are figuring out that they can control localities and local
15 economies -- when they control those economies, you actually have to physically
16 dislodge them. There is not much you can do from afar to effect what they can do on
17 the ground, and we have done that relatively well over the last year.

18 The second thing that can be done, Senator, is to find where those chokepoints
19 are in the system where their economy hits the regional or even the global economy. So
20 in the context of ISIS, the question was who are the brokers with whom they are doing

1 business? How are they actually moving their money? How are they trading in
2 antiquities? How are they selling their oil? Where are the money service businesses
3 that they are operating? What money service businesses or banks are they using in
4 Mosul, or even Raqqa, or Sirte, to actually move their money? So finding what those
5 chokepoints look like is essential, and frankly intelligence is key to that, and I think we
6 were a bit blind to how this emerged. We have gotten much better --

7 Senator Perdue: Have we focused the resources to really do what you are saying
8 there?

9 Mr. Zarate: I think we have now. With our departure in 2011, in all honesty, I
10 think we blinded ourselves to what was emerging. We had seen with the terrorist
11 financing tracking cell that we had established in Iraq how al Qaeda was using some of
12 the same mechanisms that ISIS eventually used. We dismantled that capability, and we
13 have been playing catch-up ever since.

14 So I think it is important to realize that the long pole in the tent here is
15 intelligence and information to understand where these groups, be they the groups and
16 militias using wildlife trafficking or drug trafficking or oil smuggling, whatever it is,
17 how they are actually running an economy, how they are linking to the formal financial
18 system. Once we know that, we have a set of tools that begin to shut that down and
19 begin to restrict their ability to raise and move money.

20 Senator Perdue: Thank you.

1 Mr. Ambassador, I have a question about Europe. How do we coordinate with
2 our allies in Europe? We see a lot of activity over there. We know that Brussels is a
3 haven for terrorist activity and so forth, and is being exported to this country through
4 Europe. General Breedlove even said that Putin is involved with the radicalization and
5 the weaponization of the refugee problem in Eastern Europe.

6 What can we do, and how would you advise the incoming administration to
7 coordinate with our allies in Europe to fight this?

8 Ambassador Benjamin: Our coordination with our European partners tends to
9 be pretty good. Our problem is the coordination within Europe itself between different
10 European partners. Intelligence gathering is not a European-- that is, EU -- competency.
11 It is a national government one. And for that reason, and because of the nature of
12 intelligence work, many of the services are not fully trusting in one another. In some
13 ways, they are still more in the Cold War era than we are at this point. Europe never
14 had the 9/11 galvanizing experience that we did, and as a result it has never spent the
15 money on law enforcement, on intelligence, on border controls that we have.

16 I think that the new administration should engage vigorously with the
17 Europeans and push them hard, and this needs to be done at a very high level to
18 integrate more effectively. I know the current administration has pushed this issue and
19 has offered them various kinds of technical assistance so that they can integrate their
20 many different databases more effectively. But I have to tell you, it is going to be rough

1 sledding because Europe has an awful lot of issues on its agenda right now. But I do
2 think that they need to do a better job, and they really need to increase the resources
3 devoted to this problem.

4 Let me just add, though, that perhaps the issue that is most dangerous of all for
5 Europe right now is the migration one, not only because of the domestic problems it
6 creates but also because it is politically tearing apart the EU. So it seems to me that as
7 part of a broader strategy to deal with this, the United States should take a leadership
8 role and try to help Europe with the migration crisis in terms of a global approach to
9 dividing up extremely needy people who have been the victims of a horrible war,
10 resettling them around the globe as necessary, because until that is done, I fear we are
11 going to be in crisis management for a very long time.

12 Senator Perdue: Thank you, Mr. Chairman.

13 **THE CHAIRMAN.** Thank you.

14 Senator Menendez?

15 **SENATOR MENENDEZ.** Thank you, Mr. Chairman.

16 Mr. Chairman, I have a statement that I would like to include for the record.

17 **THE CHAIRMAN.** Without objection.

[The information referred to follows:]

[COMMITTEE INSERT]

18 **SENATOR MENENDEZ.** Thank you, Mr. Chairman.

19 And thank you both for your service and for your testimony.

1 As the new year approaches, we find ourselves 15 years removed from
2 September 11th, 13 years from the invasion of Afghanistan and Iraq, five years from the
3 turmoil of the Arab Spring, two years from Baghdadi’s declaration of a caliphate, and
4 conflict ranges across the Middle East and North Africa, horrible civil war in Syria,
5 failing states in Libya and Yemen, sectarianism hardening. So we should not be
6 surprised that violent extremism flourishes in such conditions, or that we are not
7 immune from the blowback.

8 By the end of last year, more than 31,000 people from at least 86 countries have
9 migrated to ISIL-controlled lands, testifying to the global appeal of their extremist
10 ideology. It is in the backdrop that I look at and I appreciate this hearing because it is a
11 time of inflection and reflection to think about what we have not done or have not
12 achieved, or what we have done well but maybe what we should be doing as well.

13 Several years ago I made a speech, well before this time, that if we did not listen
14 to the Arab street, we would live with the consequences of it. What did I mean by that?
15 We had an overwhelming population incredibly young and incredibly poor, with no
16 aspirations of seeing anything in the future that would be better, governance and
17 governments not taking care of their own people, and economic conditions that would
18 not create the opportunity for people to realize their hopes and dreams and aspirations.
19 Therefore, you go and listen to the suggestions that glorification comes in dying, and
20 you get pieces of gold and other enhancements as a result.

1 For those of us in the Western world who live in democracies and what-not, we
2 find it incredibly hard to believe that someone would succumb to that belief. But when
3 you are desperate, it is amazing what can happen.

4 So my question is, yes, we are doing -- and I have supported all of the efforts to
5 deal with the military, intelligence, and other elements, but that almost seems ripe for a
6 perpetual war.

7 So the question in my mind is, should we not be equally addressing the questions
8 of the economic underpinnings that create masses to be disenfranchised to the point
9 that their purposes can be perverted? Should we not be focusing more on governance
10 as a way to move towards better economies? Is that not also in our national interest and
11 the national security of the United States? And should we not be more significantly, in
12 a broad-based collaborative network way, be dealing in the social media realm to
13 counteract? And I think both of you have referred to that. But how do we do that more
14 extensively, more collectively, more powerfully than we are doing right now?

15 And lastly -- so I will put all three questions out there and then give the rest of
16 the time for you to answer. I think, Ambassador Benjamin, you said that terrorism and
17 ISIS have their own political economy. And I would say to you and Mr. Zarate, well,
18 how do we attack that political economy successfully? What regulatory impediments
19 could Congress fix that would allow Treasury and State to more effectively employ the
20 tool of financial sanctions in our counter-terrorism efforts towards that economy?

1 So if you could comment on those three things, I would be appreciative.

2 Ambassador Benjamin: Juan has graciously let me lead on this.

3 So, on your broad point of the chaos in the broader Middle East, I am in full
4 agreement and I think that we face, as I said in my testimony -- and it is in the written
5 record -- a very, very long-term challenge that will be very difficult to escape. We are
6 talking about historical changes on a scale that have not been seen certainly since the
7 end of World War I, the period of colonization, the end of the caliphate, and in many
8 ways on a socio-economic scale that is simply unprecedented.

9 **SENATOR MENENDEZ.** But if we do not start down that journey -- I admit that it
10 is long. But if we do not start down that journey, then we are destined to ultimately live
11 with the consequences of --

12 Ambassador Benjamin: I fully agree. I think that this is the moment from a
13 global perspective that requires an enormous amount of American leadership and that
14 is going to bring together the wealthy countries of the West, the Gulf, and others to
15 begin to incentivize good governance and better economic institutions and
16 arrangements in this region. I think it is going to be extremely difficult, but I think we
17 should do it. It is going to cost an awful lot of money, and I guess I question whether or
18 not, in a period of America First, we are prepared to do something like that. But that
19 would certainly be my recommendation to any incoming administration.

1 Mr. Zarate: Senator, you are always insightful and certainly ahead of the curve,
2 and I think you have been on this as well.

3 **SENATOR MENENDEZ.** You can stop there.

4 [Laughter.]

5 **THE CHAIRMAN.** And his time is up, too.

6 [Laughter.]

7 **SENATOR MENENDEZ.** It is the Cuban-American thing.

8 [Laughter.]

9 Mr. Zarate: I do think we have to realize that this is a generational struggle, and
10 it has all of the components that you have described and that Dan and I have put in our
11 testimony. We have to realize that the nature has changed.

12 To Senator Perdue's point, we are at war. It looks very different than past wars.
13 It is not going to have a neat expiration date. And frankly, our European partners have
14 realized over time that they are at war. The French president and prime minister have
15 talked about this in those terms.

16 So we do have to realize that this is a war, that it is generational, and that you do
17 have to employ all elements of national and international power.

18 In terms of governance, you are absolutely right. There are short-term
19 dimensions. You have to fill voids so that these groups do not take hold.

1 One of the things I worry about in Libya, for example, is that the new council, the
2 Mujahedeen council in Derna is now filled with al Qaeda folks. Al Qaeda has grown
3 much smarter as they are reemerging. They have relabeled themselves in Syria as a
4 way of legitimizing themselves and distancing themselves from the al Qaeda brand,
5 very smartly.

6 So I worry that in the short term, if you do not fill the void, these actors are very
7 smart and they will adapt and take advantage. In the long term, you have to have a
8 solution to these questions of identity, of aspiration, and there is no question that there
9 is a crisis of identity in many parts of the Muslim world and with Muslim communities.

10 Fortunately, I do not think that has taken hold in the United States, and one of
11 the key elements of countering violent extremism in the homeland is making sure that
12 the ideology never has real purchase or longevity in the homeland. I think if we can get
13 to the point where we begin to look like Londonistan or Molenbeek, we have got a real
14 problem. We are not there by any stretch, and I think we have to make sure that we
15 never get there.

16 But I could not agree more that the governance issues in the context of a
17 movement that really is trying to reshape maps and history -- this is a movement -- is
18 trying to give identity and shape in a very convoluted and dangerous environment, and
19 we have got to shape the environment.

1 **SENATOR MENENDEZ.** My time has expired. But if you can in a separate setting
2 give me ideas on regulatory changes that would make our financial sanctions more
3 effective, I would appreciate it.

4 Thank you, Mr. Chairman.

5 **THE CHAIRMAN.** Senator Gardner?

6 **SENATOR GARDNER.** Thank you, Mr. Chairman.

7 Thank you, both of you, for being here today and sharing your expertise.

8 Ambassador, just to follow up on something, you made a comment to Senator
9 Perdue about talking about the intelligence situation in the EU and Europe in general.
10 It is pretty clear that when our focus shifted to the Middle East, terrorism in the Middle
11 East, that we started shifting our intel assets and resources from Europe and obviously
12 have not built up to where we were at in the midst of the Cold War.

13 What level are we in terms of appropriate intelligence responses, assets and
14 build-up in Europe today to understand the threat from Russia and others in the EU, in
15 Europe in general?

16 Ambassador Benjamin: Well, I confess I do not think I am entirely qualified to
17 answer that, not being from the intelligence community. My concern was less with the
18 staffing of U.S. people in Europe or on the staffs in the various agencies here than it was
19 with what we were getting from our liaison partners, because liaison partnerships
20 remain absolutely vital.

1 But I will say that one of the great challenges facing the intelligence community
2 today, of course, is doing all of these different things. You mentioned Russia, and it is
3 really tough when you are dealing with the potential of an imminent terrorist threat to
4 also be resourcing people who are looking at long-term trends in Russia as well.

5 **SENATOR GARDNER.** But would you agree that we cannot simply rely on
6 European nations to provide us both an intelligence look into Russia and the Middle
7 East because you have the north/south split for --

8 Ambassador Benjamin: Well, we do not rely on them for either of those things.
9 We rely on our own services for that and for others who are in the region. We rely on
10 liaison services in the Middle East heavily for counter-terrorism information. Every
11 intelligence operation worth its salt relies on a combination of its own resources as well
12 as those of its partner services. No one can do it all by themselves. And, quite frankly,
13 in the Middle East, for example, we just do not have the kind of personnel who can do
14 that work. We are really challenged in this period, there is no question about it.

15 **SENATOR GARDNER.** Thank you.

16 Mr. Zarate, a couple of questions for you.

17 If you look at Southeast Asia -- we talk a lot about the Middle East, but if you
18 look at Southeast Asia, 240 million people, the population, some of the largest Muslim-
19 majority countries in the world, 15 percent of the Muslim population in terms of the
20 Sunni Muslim population, 40 percent of Southeast Asia's overall population, what do

1 you see happening right now in Southeast Asia that is of concern to U.S. interests in the
2 region, how that growth of terrorism is occurring, and the spread and recruitment
3 taking place in Southeast Asia?

4 Mr. Zarate: Great question, Senator, because I think a few years ago we certainly
5 saw Southeast Asia as a success story in terms of our ability to contain the growth of the
6 terrorism threat, even the growth of the ideology, even though it was still present and
7 we saw attacks, as we saw in Bali and other places in Southeast Asia.

8 I think one of the dangerous things that we have seen -- and part of this is the
9 reanimation that ISIS has provided to the jihadi networks that have existed in the past --
10 is a reanimation of operational cells in Southeast Asia that are tying back to groups like
11 ISIS, or even al Qaeda. They are regenerating themselves after having been suppressed
12 or deterred for some time. So I think that is the first order of battle, and you have seen
13 attacks emerge.

14 Secondly, I think the ideology has had a bit of a renaissance, unfortunately. You
15 have seen rallies, for example, in Indonesia, mass rallies where the violent Islamic
16 extremist ideology seems to have grown a bit more popular, and I think that has
17 implications politically, and that we have got to watch very carefully because to the
18 extent that Salafi politicians begin to take hold in Southeast Asia, that begins to affect
19 policy and dynamics and our ability to work with them, perhaps.

1 Finally, I think the diaspora communities are of concern. So, for example, in
2 Singapore they have worried often about, for example, the Bangladeshis that are
3 radicalized. They recently arrested a whole slew of individuals. So diaspora
4 communities have proven problematic at times in these areas.

5 So those are three concerns that I have looking at the environment currently.

6 **SENATOR GARDNER.** And so to follow up on that question, though, have we
7 done enough in terms of our prioritization on counter-terrorism assistance to them to
8 help build their capabilities to monitor, to track, and to prevent terrorism recruitment,
9 to know who is coming back in from Syria? And do we have an overall high enough
10 priority on counter-terrorism efforts in Southeast Asia right now? Have we prioritized
11 it decently enough?

12 Mr. Zarate: To be honest, I have not seen current resource levels and the rest.
13 But I would say that one of the successes in Southeast Asia that we can build on and
14 that has really been a success is the sharing of labor around this intelligence work. I
15 mean, one of the great things in Southeast Asia is that you have a partner and five eyes
16 in the Australians, who are present, who have just as much if not more interest than we
17 do in terms of watching what is happening, capable partners like the Singaporeans who
18 are very committed to stability in the region.

19 So these are all partners that are devoting resources and working closely together
20 and that we are trying to amplify.

1 One word of caution, though, and this is where counter-terrorism fits so
2 importantly into our foreign policy. Our partners have to want to work with us, and
3 what we have seen currently with the political maneuvering in Manila with the removal
4 potentially of U.S. Special Forces in the south, it is troubling because that partnership
5 has been incredibly important to diminishing the reach of Abu Sayyaf, the Moro Islamic
6 Liberation Front, both of which have flirted with ISIS support. So how we manage the
7 foreign policy there begins to impact very directly what we can do with our
8 partnership.

9 **SENATOR GARDNER.** And I, too, would like to follow up with you a little bit on
10 how we can be more effective in a different region of the world, and that is our
11 sanctions in North Korea, against individuals in North Korea. Victor Cha and
12 Ambassador Galluci just issued a report talking about the importance of identifying
13 individuals, isolating them from the worldwide financial systems, and how we can be
14 more effective in targeting the ways that dollars are getting back into the North Korean
15 nuclear regime.

16 So, thank you.

17 **THE CHAIRMAN.** Senator Kaine?

18 Mr. Zarate: May I just make one quick follow-up, Senator? Just to tie back to
19 something that Senator Cardin was inquiring about before.

1 If we went back to 2003-2004, we probably, if you polled a lot of counter-
2 terrorism experts, would have said that Southeast Asia was one of the true crisis regions
3 and that we would worry about the fundamental stability of Indonesia.

4 One of our success stories, I would say, in the capacity building area has been in
5 Indonesia. We are fortunate that it is a large and very vibrant democracy and we had
6 very, very effective partners, particularly in the high-end policing area, but also in the
7 judiciary there. So I think that while there are occasionally worrisome signs that we
8 should not in any way be complacent about, this is a demonstration of what you can do
9 if you invest in a partner country.

10 **SENATOR GARDNER.** But I do think we have to be careful because in
11 conversations with the Singapore officials, they talk about the emergence of a hardline
12 element in Indonesia and recruitment obviously in Indonesia's national language, and
13 the Malay language that is increasing. So I agree with you, but we cannot be
14 complacent because there seems to be a larger element that is rising.

15 **THE CHAIRMAN.** Senator Kaine?

16 **SENATOR KAINE.** Thank you, Mr. Chairman. Thank you for your kind
17 comments earlier. I am energized to be back with good colleagues here, and this
18 hearing is a good explanation of why.

19 Two things happened last week during our Thanksgiving recess that I thought
20 were interesting and a close connection. On the 24th of November, Thanksgiving Day,

1 we had the first American combat death in Syria, Chief Petty Officer Scott Dayton of
2 Virginia, from Woodbridge here in Northern Virginia, who was based out of Virginia
3 Beach who was a bomb disposal expert who was killed about 30 miles from Raqqa.

4 And second, on the 27th there were news stories about the President's decision to
5 send to Congress a notice under the War Powers Resolution to basically say that he
6 wants to use the 9/11 authorization passed in 2001 to expand activities against Al
7 Shabaab in Somalia.

8 Senator Perdue talked about world war, and Senator Menendez talked about we
9 are at perpetual war, and both of these instances occurring a couple of days from each
10 other, a combat death in Syria and actions against an organization that did not start
11 until two years after the attacks of 9/11, expansion of military kinetic activity against Al-
12 Shabaab, which did not exist until 2006 or 2007. I think it demonstrates the mutating
13 scope of the war.

14 I have raised questions about the legality of the war pursuant to the
15 authorization.

16 But setting aside those questions, we are 15 years after an authorization that is
17 being used now -- I think it has been used 37 times by Presidents Obama and Bush to
18 justify kinetic action in 13 different nations. I do think it is a point of reflection and
19 inflection when you bring in a new Congress, when you bring in a new administration,
20 to assess what is going on and continuing to trace back all of these kinetic activities in 13

1 different nations to the perpetrators of the 9/11 attack. I think we all recognize that
2 there is some artifice there, and it is a good moment to do that reflection or inflection.

3 Each of you have testified -- the title here is "The Future of Counter-Terrorism
4 Strategy," but each of you have testified to some degree that the counter-terrorism
5 strategy has to be part of a larger foreign policy strategy. One of the great things about
6 this committee is we have a lot of people on the committee who really want to think
7 about bigger-picture strategic questions.

8 So I would love it if each of you could talk about counter-terrorism strategy as
9 part of a larger strategy. What would your advice to the committee be at this moment
10 of inflection, or to a new administration at this moment of inflection of how we ought to
11 see counter-terrorism strategy fitting into broader strategic questions? What are the
12 broader strategic questions that we ought to be trying to answer to determine what the
13 right counter-terrorism strategy is?

14 Mr. Zarate: Senator, if I could just address the AUMF question, because you
15 have been leading on this for a long time and speaking about it, I think rightly, because
16 it is an important legal policy and moral question as to how we define the war and
17 where we use targeted killing and other tools.

18 I think a key question in the context of the AUMF -- and then it relates to the
19 broader question of our future strategy -- is how we define the prevention of the
20 manifestation of this movement in its various forms, and you have articulated that it has

1 manifested around the world and especially where there is a lack of governance and
2 vacuums of authority.

3 At what point -- how do we define prevention? This administration has defined
4 that in a variety of ways, but it has redefined the sense of imminence to allow for the
5 use of targeted killings in a sooner and a more prolific way. I agree with that, but it is
6 an important question because it goes to the heart of what the purpose of the AUMF is.
7 The original AUMF in 2001 was not only related back to the 9/11 attacks but also has a
8 provision in it, as you know, with respect to prevention of future attacks from those
9 same groups. So that question of prevention is critical.

10 The second is labeling. How do you label these groups as they redefine
11 themselves, as they morph, as they shift gears, and frankly as they redefine the map
12 itself? ISIS has erased the border between Iraq and Syria. If you look at the map, it is
13 hard to even figure out what you are looking at sometimes. So those traditional
14 authorities, the authorities that Dan used, for example, for labeling terrorist
15 organizations, are in some ways outdated because the groups are adapting around this
16 in a dynamic way.

17 So I just wanted to comment on that because I think your point is really
18 important.

19 Three things I think long term for this committee. One is what is the nature of
20 partnership? I think we have got great models in terms of how we create regional

1 alliances to deal with the manifestation of these issues, in the trans-Sahel with the
2 French taking the lead, in East Africa with the Kenyans, the African Union, the
3 Ethiopians taking the lead in supporting Somalis.

4 I think also this question of how we support sub-state actors and alliances at the
5 tribal, at the local level, the whole question of the Kurdish support is critical. So how
6 we define that is really important, and I think this committee has a key role to play in
7 defining that.

8 How we think about soft power and the use of tools. Again, we have talked
9 about this in the context of countering violent extremism, but how we think about
10 capacity building, how we think about long-term issues of governance.

11 And then finally, where do we see America playing a role in all of these regions
12 and conflicts. What is America's role in shaping the battlefield? We do not want to
13 occupy, of course, every place there is a conflict, and we do not want American service
14 members dying in these places. At the same time, we have to be present, and as I say in
15 my testimony, the laws of physics apply, and American leadership is still critical. So
16 what does that mean in a more difficult, diverse, global counter-terrorism environment,
17 especially when we do not have reliable partners in places like Yemen, Libya, and
18 Syria?

19 Ambassador Benjamin: I think it is illustrative that Juan and I are in very broad
20 agreement, because although the issue of terrorism remains a highly politicized one in

1 the nation, I think in the mainstream on both sides of the aisle there is broad agreement
2 about a lot of the things that are necessary. And I, too, would focus on this being a
3 moment when we think hard about what it means to be engaged around the world on a
4 variety of different levels.

5 I would strongly agree with Juan, we need to redouble and redouble again our
6 capacity building efforts, and not so we create a lot of empowered militaries under
7 dictatorships who will then repress their populaces, because that is a certain guarantee
8 for radicalization, but rather that we need to have broad-based engagement, much
9 greater engagement on the civilian side, coupled with insistence on compliance with the
10 rule of law, because that is how societies will deal with the grievances in their midst that
11 drive radicalization.

12 I think at the moment we spend an enormous amount of money on our military,
13 and rightly so, and we are going to need to spend a good deal more money on
14 promoting good governance while also promoting those in situations within societies
15 that deal with terrorism at the tactical level -- police, judiciary, prisons -- and, of course,
16 the many different elements in society that deal with countering violent extremism.

17 I also think that even in those countries that we do not need to invest in, we need
18 a deeper engagement in terms of the partnerships that we build. We need a great deal
19 of help from the Europeans in dealing with societies at risk in Africa, in South Asia, in
20 any number of different places. We have some fledgling institutions to work with; for

1 example, the Global Counter-Terrorism Forum, the GCERF, which is an offspring of
2 that which funds CVE programs around the world, but they are really small. We are
3 not going to get from here to there if we continue to be incremental in the smallest sense
4 of the word.

5 **SENATOR GARDNER.** Thank you.

6 Thanks, Mr. Chairman.

7 **THE CHAIRMAN.** Senator Murphy?

8 **SENATOR MURPHY.** Thank you very much, Mr. Chairman.

9 Thank you for being here today.

10 I am glad that we have spent a good amount of time here talking about the roots
11 of extremism. We tend to spend most of our time talking about how to combat
12 extremism after the fact, and I thank you for your comments on this.

13 Broadly, there are a number of different dynamics at play when you think about
14 how somebody becomes radicalized. There is an economic dynamic. There is a political
15 dynamic. There is a religious dynamic. I think we are pretty good at talking about the
16 political dynamic, which probably over the last 10 years we have exacerbated as a
17 country. We are pretty good at talking about the economic dynamic, which we have
18 probably underfunded. But we are pretty terrible at talking about the religious
19 dynamic. It is one that I would argue we cannot afford to ignore any longer.

1 Since 1979, there has been a fight on in the Middle East, expanded all across the
2 globe, as to what the true nature of Islam is going to be. In the last 10 years the Gulf
3 states, the Saudis in particular, have put more and more money into a very
4 conservative, very intolerant brand of the religion which has formed the basis, the
5 foundation for these extremist groups. Often the Salafi textbooks are just taken word
6 for word and turned into recruitment materials for some of these organizations.

7 If you go to the Balkans today, it looks very different than it did 10 years ago.
8 There are women being paid to wear head coverings. There are more mosques
9 preaching that brand of Islam than ever before.

10 So I guess I just sort of pose this as a question to you. We have not talked about
11 it at all here today. And yet without that religious dynamic, I do not know that we can
12 tell the same story about the radicalization of peoples throughout the world that we can
13 today.

14 So just help us understand how we intersect with this discussion. Should we be
15 talking about it? And if we should, how do we intersect here? I think it is a very
16 uncomfortable topic, for good reasons, right? The United States should not be weighing
17 in, in a definitive sense, as to what the true or right version of Islam is, but we cannot
18 ignore the fact that if we let the current dynamic play out as it is, it makes it really hard
19 to solve this problem simply with political and economic responses.

1 Mr. Zarate: Senator, you hit the nail on the head in terms of the complexity of
2 dealing with this violent Islamic extremist ideology and how it is manifested and
3 embedded. I will tell you that I spent countless hours trying to figure out how you deal
4 with what is a movement that is warping tenets of one of the world's great religions to
5 reshape the sense of Muslim identity in the 21st century when the U.S. Government is
6 neither placed nor expert nor by the First Amendment postured or legally enabled to do
7 anything in that realm. This is why the analogies to the Cold War battle ideologically is
8 a bit off. It is a little bit of apples and oranges.

9 The Cold War analogy was two basically Western ideologies that were
10 competing in the marketplace of politics and economics, and certainly in the battle place
11 of ideas, but it was largely in a Western context, and it certainly was not religious.
12 Obviously, the Soviets were trying to excise religion from their societies.

13 But this is very different because the animating feature of this movement is to try
14 to pull on and shape that very religious identity. So they try to use schools and texts to
15 their advantage. You have seen ISIS develop schools to try to brainwash the next
16 generation of radicals. They have recruited women to try to create a sense of family and
17 to create a sense of what home life in an Islamic caliphate looks like, all with the sense
18 that in their mind a true Muslim society, a true Muslim believer, has to subscribe to
19 their vision of the world, has to subscribe to their dictates.

20 So I could not agree more, that is a key issue.

1 **SENATOR MURPHY.** But that does not happen in a vacuum. I think we often just
2 focus on what ISIS is doing. That does not happen in a vacuum. It happens upon a
3 foundation that is funded in part by allies of the United States.

4 Mr. Zarate: Yes, and it is not just on the Sunni side either. As I mentioned in my
5 testimony, it is also on the Shia side, right? So you mentioned 1979. It was the siege of
6 Mecca. It was also the Iranian revolution, and it was a key moment in the context of
7 where this ideology and the clash of violent Islamic extremism was headed, and we are
8 seeing the fruits of that now, especially with the proxy battles.

9 So you are absolutely right, this is why we have to rely so heavily on Muslim
10 majority countries, credible voices, not just clerics but also key influencers in Muslim
11 communities. It is why in the report I mentioned from CSIS we focus so heavily on
12 funding and enabling non-governmental actors to actually have a central role in
13 countering the ideology and offering alternatives; and, as Dan said, being a part of
14 intervention strategies in places like Minneapolis or Boston or L.A.

15 So it actually forces you to rethink what the model is because it cannot be that the
16 U.S. Government is absent, but it cannot be that the U.S. Government is the voice. So
17 what does that then look like? It means you have to have partners that are non-
18 traditional that begin to counter the ideology and shape what it means to be Muslim in
19 the 21st century, and we cannot be shy about it. Muslim Americans know that they are
20 under assault. ISIS is trying to recruit Somali Americans. They are trying to get Muslim

1 Americans to kill fellow citizens. They know they are under assault. They need U.S.
2 Government help, but they also need to be seen as enablers and not necessarily as just
3 victims, or even as threats.

4 Ambassador Benjamin: It is a big issue, Senator, and this is, in a sense, where I
5 got on, because my first book was called *The Age of Sacred Terror*, and it was about the
6 rise of religious extremism especially in Islam, but in all the major faiths, where we have
7 seen growing tendencies to violence.

I think Juan gets it right. It is a real problem for us to be a part of this dialogue. It is really in many ways a dispute within Islam. We need to find those partners with whom we can work who are, in our view, promoting a positive message. We have an enormous problem with the country or countries that have put the most money into propagating extremism because those are also some of our very, very closest intelligence partners, and they provide us with tactical intelligence that saves lives. So it is a paradox, and those of us who have tried to push this in the government have come up against hard barriers because of that problem.

8 I understand that we are short on time, so I would be happy to take this up with
9 you later.

10 **SENATOR MURPHY.** Thank you.

11 **THE CHAIRMAN.** Thank you. Thank you so much.

12 Senator Coons?

13 **SENATOR COONS.** Thank you. I would like to thank the Chairman, Ranking,
14 and the panel. You have given tremendous testimony today.

15 I know my time is short, as well as yours likely, so let me just follow up, if I
16 could, on the point you made, Mr. Zarate, on the recent CSIS report that you referenced.

1 I am very interested in your calling for the next administration to have an
2 assistant to the president who would expressly be focused on building public-private
3 partnerships and countering violent extremism goals.

4 We have Hollywood. We have some of the best TV shows and online content in
5 the world. In many ways American companies and content creators invented modern
6 social media which ISIS and others have turned to perverted ends.

7 How would you imagine us most effectively using this new resource and role to
8 engage in countering extremism here at home? And how can we better engage the
9 more than 3 million American Muslims who, as you said, are in some ways really
10 caught in the middle between this global contest over the future identity of Islam and
11 this concern by many Americans about our security at home? And how can we better
12 reinforce that the integration of American Muslims is the best almost in any Western
13 society outside the Muslim world?

14 Mr. Zarate: Thank you, Senator. What you have just described is precisely why
15 you need someone, be it the White House or some other structure, that has not only the
16 mandate but also the authority to coordinate what is happening internationally as well
17 as domestically on these issues.

18 I think one of the challenges that we have seen in the space is that what we can
19 do and influence abroad often cannot get translated domestically for good legal reasons.
20 But you do need somebody who is able to coordinate what is happening

1 internationally, connecting the countering violent extremism mission to our broader
2 policy goals to what we are trying to do domestically, which is largely to enable Muslim
3 American communities to not only defend themselves against this ideology but to
4 enable them to be proactive participants in dealing with the threat.

5 This idea of intervention models, community-led intervention models is an
6 important one. That has to be done with the help of the Department of Justice, the FBI,
7 the Department of Homeland Security, but that cannot be set in isolation from what the
8 State Department does or the intelligence community does.

9 So the idea here is you have got to have somebody that is concentrated on this
10 issue, concentrated on integrating it internally, and then, as you said, Senator, figuring
11 out what is the right way of leveraging the non-state elements of our power to actually
12 influence, and that is technology companies, media companies, the artistry fields,
13 singers, songwriters, et cetera, entrepreneurs, into a broader campaign to think about
14 how we have reshaped this environment. You need somebody who is concentrating on
15 that full time, and we often do not see that. That is why that recommendation is in the
16 report.

17 **SENATOR COONS.** And I would argue that to the extent elected officials at the
18 Federal, state and local levels embrace and engage with and represent the American
19 Muslim community, the more likely we are to be successful. And to the extent there are

1 proposals that marginalize them or suggest that somehow they are not fully part of the
2 American community, I think that makes us less safe.

3 Mr. Benjamin, if I might, we have spent an enormous amount of money trying to
4 rebuild and stabilize countries like Iraq or Afghanistan during and post-conflict. You
5 have talked about the importance of our being engaged in countries that have been
6 plagued by terrorism. What should we be doing now to prepare for the reconstruction
7 and rebuilding that is going to be required in a number of states, not just those but
8 others -- Somalia, Nigeria -- that are really suffering a scourge of terrorism and where
9 they are fragile or failed?

10 Ambassador Benjamin: If I could just begin by making one quick note on the
11 CVE issue, I would just point out that people have been trying to think about how to
12 leverage American culture to de-radicalize or to fend off radicalization in lots of
13 different contexts for a long time. While I think that the vast majority of the Muslim
14 world probably enjoys a lot of the products that we send them, the very small number
15 of people who are radicalized probably view it as deeply offensive, pornographic and
16 the like. So this is a very difficult issue, and it is not clear to me that we can pick
17 winners and losers, as we cannot in industrial policy, for example.

18 On the very important issue you raised, there is an enormous amount of donor
19 fatigue out there already, and yet if there is not investment in the areas of Iraq that have
20 been destroyed by ISIS and destroyed by the battle to retake it, if there is not soon a

1 ceasefire in Yemen and reconstruction there, we will be paying a price for a long time
2 because terrorist groups love these civil conflicts. They are the breeding grounds for the
3 next generation of extremists.

4 And I would add that we were talking about trouble spots ahead before. I think
5 this is just an enormous question mark for the future because of the declining economy
6 combined with repression and no voice for moderate Muslims who today do not believe
7 in the violence but who find that they are really excluded from the politics of their own
8 country.

9 SENATOR COONS. I want to thank both of you. This has been a very
10 informative hearing.

11 Thank you, Mr. Chairman.

12 THE CHAIRMAN. Thank you.

13 Senator Risch?

SENATOR RISCH. Mr. Benjamin, you made reference to, in the context of this hearing, the migration issues regarding Europe. I would like to drill down a little bit into that. It is incredibly frustrating when you look at this. Europe will never be the same after what has happened over the last 24 months. Europe is never going to be the same. And for that matter, it has not shown any signs of letting up. You get these waves that come. It was not that long ago when people would take up arms, there was an invasion, they **would** repel them and send them back. That is not happening. Indeed, a good share of the population in Europe is very welcoming, and it is causing friction between the countries there.

14 One of the things I found that was really interesting was that, in addition to these
15 huge numbers of people that are coming that are indeed victims of war-torn countries

1 and are true refugees in that sense, mixed in with that, the people who are simply
2 opportunists, economic opportunists, are mixing themselves in there, not intending to
3 harm anyone or anything else. They just want to do what we all want to do, and that is
4 do better for our families and for ourselves.

5 As a result of that, the NGOs I have talked to who deal in this and who really
6 want to help people who are refugees are very frustrated by the fact that they are
7 getting this mixture, and the result of that is the numbers are just overwhelming. Our
8 minds cannot get around the kind of numbers we are talking about. Our human minds
9 are not designed to do that. You look around this room. If you try to think about the
10 people in this room and then go to a thousand people or a million people or a billion
11 people -- there are 7 billion on the face of this earth, all of whom have a view that if
12 things are not good, they are going to go somewhere where it is better.

13 I mean, this is something that I do not know what you do. I hear the Pollyanna
14 kind of speeches about, oh, what we need to do is stabilize all these countries, we need
15 to get them governing, they need jobs and they need hope, but that is not happening,
16 okay? And there is no magical formula for that to happen. Certainly the United States
17 cannot do this. As egotistical as we are in thinking we can control these things, we
18 cannot. I mean, it is just huge.

19 Give me some hope here. Where is this thing going? Mr. Benjamin, you raised
20 the problem. You take a run at it first, and then we will give Mr. Zarate a shot at it.

1 Ambassador Benjamin: Well, Senator, I think you have made me hopeless. No.

2 So there is no question that large-scale migration from either war-torn countries
3 or underdeveloped countries is one of the greatest challenges that we face, and certainly
4 this is tearing Europe apart because of the way that it has translated into the politics of
5 the continent. So we are not talking about the terrorism dimension which is also real
6 because they do not have the kind of border controls that we have.

7 I have some sympathy with your argument about the challenges of economic
8 migrants. International law does allow us to distinguish between these two, and we are
9 going to have to continue to do so, otherwise states will simply be overwhelmed, and
10 that is why it is so important to distinguish and find those who truly have been forced
11 to flee from their homes because of conflict.

12 I do think, though, coming back to what we were talking about before with
13 Senator Kaine and with Senator Murphy, this is why deeper engagement with a lot of
14 these countries, in concert with Western Europe, which faces the most critical threat, but
15 also with wealthy countries in the Gulf and the Far East, there really has to be a
16 concerted effort to increase development in these places. We have to look at what we
17 can do to underwrite the availability of greater capital for borrowing.

18 Look, it is a paradoxical situation because we are in the period of history that has
19 seen the most extraordinary reduction in poverty globally in history, with something
20 like 500 million people coming out of poverty in the last decade or two. So it is possible,

1 but it is going to take a level of coordination among governments that we have not
2 achieved before, and I do not see any better way to do it. Unfortunately, we are going
3 to have to continue to insist on the distinction between refugees from conflict and
4 refugees from economic privation.

5 **SENATOR RISCH.** I would appreciate your thoughts, Mr. Zarate.

6 Mr. Zarate: Senator, I do not want to add to the sense of dread or pessimism, but
7 one other factor to consider is these migrant flows are creating new way stations and
8 flows of people that are allowing a variety of groups -- criminal groups, terrorist groups
9 -- to take advantage of these people. So you have seen, for example, these way stations
10 appear in West Africa or North Africa, where human trafficking results from the flow of
11 people trying to head into Europe. So you have the immediate problem of just pure
12 exploitation of people and the threats that emerge from these flows.

13 I would say, look, if we try to solve everything at once, we are not going to solve
14 anything. So one way of thinking about this is how do we solve the immediate problem
15 of distribution of refugees as they flow out of especially the conflict zones, and
16 especially if the conflicts are not going to be resolved? But how do we manage the
17 refugee camps so the refugee camps themselves do not become long-term liabilities for
18 the international community?

19 I think we have to pay a lot of attention to Lebanon, to Turkey, to Jordan, which
20 have already absorbed enormous numbers of refugees and have tried to incorporate

1 them. I think starting with what is right in front of us first, how do we deal with the
2 refugee camps and the distribution currently. It is probably the good, right first step,
3 and it is not solving all of the refugee problems around the world, but solving that may
4 be a good first step to getting at some of these longer-term problems.

5 **SENATOR RISCH.** Thank you so much.

6 Thank you, Mr. Chairman.

7 **THE CHAIRMAN.** Thank you.

8 I might add, just on that note, that continuing to engage with Egypt -- I mean, if
9 Egypt were to fail, what we have seen as it relates to the issues in Western Europe
10 would be exacerbated multi-fold. That is an issue where our national interests up
11 against our national values matters a great deal.

12 Anyway, with that, Senator Shaheen.

13 **SENATOR SHAHEEN.** Thank you, Mr. Chairman.

14 Thank you to both of our panelists for being here. I have to especially call out
15 Ambassador Benjamin because he is from New Hampshire. Thank you for your
16 leadership at the Dickey Center at Dartmouth.

17 I will tell you especially for the good work that is going on there with students, I
18 had an intern, Morgan Sandhu, who helped conduct a national study on women's
19 access to health care in Kosovo, and she was very impressive. So I very much
20 appreciate what you are doing there.

1 I just want to pick up very quickly, because I had not been thinking about it as a
2 question, but on something you just said, Mr. Zarate, and that is on the camps in Jordan
3 and Lebanon and Turkey and whether we are doing enough there to address those. My
4 assessment, based on everything we have heard in this committee and other places, is
5 that we are not and that we ought to be doing much more there. Would you agree with
6 that?

7 Mr. Zarate: I would. I think that is a source of real threat and instability for
8 those countries, and obviously for the people that are living there. So I think that as a
9 first order of concern has to be an area of focus for us.

10 SENATOR SHAHEEN. I want to go back to some of the questions that I
11 understand Senator Cardin was raising about budgeting and what we fund and what
12 we do not fund, especially given that particular issue. I certainly agree with the
13 assessment that I think you made, Ambassador Benjamin, and that you probably agree
14 with, Mr. Zarate, about our willingness to fund military counter-terrorism operations
15 but not to fund the governance, the civilian, the civil society aspect in a way that would
16 help us so that we do not have to get into the military operations.

17 One of the things that we are about to do is to pass another continuing resolution
18 which will limit our ability to fund efforts at least from now until the end of March, and
19 I am hearing more and more people talking about a year-long continuing resolution,
20 which is even more troubling.

1 But can I ask you both to speak to what that does to our ability to make decisions
2 about supporting efforts on counter-terrorism, as in so many other areas?

3 Ambassador Benjamin, do you want to go first?

4 Ambassador Benjamin: Well, you know, it certainly keeps us ham-strung since
5 continuing resolutions do not involve plus-ups. I would just note that, as is in my
6 written testimony, when we were talking about capacity building and CVE.

7 So countering violent extremism, which has been a major source of discussion in
8 this hearing, is globally completely miniscule and represents less than 10 percent of the
9 State Department's CT capacity building budget, and that capacity building budget is a
10 tiny fraction of what we put into our military capacity building.

11 Now, obviously, military capacity building is going to be more expensive
12 because of the hardware that is involved and the numbers of people. But we are
13 sucking the blocks here, and I think this is disastrous for our national interests. I know
14 there has been skepticism on the Hill at times about states' ability to deliver these
15 programs effectively, and I would say that both ends of Washington have some
16 justification for being upset. I do think that too often at State we look at throughput
17 instead of sustained engagement that makes sure that the people who are trained stay
18 in the places they are and that they continue to be productive and carry out the lessons
19 that we have transferred to them or given them.

1 At the same time, we are in a constant feedback loop where Congress is asking
2 frequently for metrics that show progress in particular areas where it cannot be
3 measured. I mean, CVE is extraordinarily difficult, and we cannot even get to the point
4 where we can develop the programs so we can figure out the metrics.

5 So there is a vicious circle here, and I think it is time that we recognize that things
6 are not getting better while we do not spend money. It is just not getting better until we
7 can innovate, and there needs to be more room for innovation particularly in countering
8 violent extremism and in capacity building. A lot of these fragile societies are not going
9 to be success stories because of exogenous factors. If your country collapses in a civil
10 war, as happened in Yemen, then you are going to lose some money, and that is just
11 tough to deal with. But we still have to give it, it seems to me, a good try.

12 **SENATOR SHAHEEN.** Mr. Zarate, do you have a different assessment?

13 Mr. Zarate: Senator, I think the other challenge with a continuing resolution is
14 twofold. One is the inability to plan longer term, and that is incredibly debilitating. We
15 are talking about these longer-term problems, problems for State, DOD, and others.
16 Also, the question of flexibility, how are funds shifted.

17 **SENATOR SHAHEEN.** Right.

18 Mr. Zarate: This committee knows, and certainly there have been prominent
19 former Secretaries of Defense who have been very open about the fact that they are
20 more than willing to have funds shifted from their budget to do precisely what we are

1 talking about, which is to deal with issues of governance and to shift funds perhaps to
2 the State Department or others to provide that kind of service, to shape the battlefield.
3 Special Operations forces talk about that all the time. We have got to get ahead of the
4 curve and shape the battlefield, and we are not able to do that with constricted budgets,
5 frankly.

6 A final point. I think what we budget and what we are able to demonstrate,
7 whether it is in the context of CVE, governance, or other investments, also spurs others
8 to give. I think one of the things we have talked about in CVE is we have got to begin to
9 plus-up the funding in the private sector to then amplify what is happening in the
10 private sector in terms of funding, as well as what is happening with other international
11 partners. The same thing goes with refugees, et cetera.

12 So I think there is a demonstration effect to our commitment, and if we do it
13 strategically, you can have a multiplier effect.

14 **SENATOR SHAHEEN.** Thank you. And the other point that you all did not
15 mention but that is very clear is that usually it costs us more money when we do
16 continuing resolutions. It does not save money; it costs more.

17 Thank you, Mr. Chairman.

18 **THE CHAIRMAN.** Senator Markey?

19 **SENATOR MARKEY.** Thank you, Mr. Chairman, very much.

1 Ambassador Benjamin, in your testimony you say that working with Russia on
2 Syria's civil war would essentially mean joining Assad's campaign to militarily conquer
3 all of those opposed to Assad. I do agree with you that that scenario would lead to an
4 escalation of the war, but I would be interested in hearing your perspective on how we
5 might best work with Russia and work with our own regional partners to best push
6 parties to give up their maximalist demands and agree to rational compromises.

7 So, thus far, the position the U.S. has taken is regime change is absolutely
8 necessary, and Assad has said regime survival is absolutely necessary. We are at a
9 stalemate that, to a certain extent, does drive this war. Those are two non-negotiable
10 positions that ultimately lead to ever greater escalation.

11 So I guess my question to you would be where are the areas where you think
12 that President-elect Trump, for example, could move without compromising the
13 ultimate goal of having protection given to the Sunnis within that country? What from
14 your perspective makes the most sense in terms of a new regime? I do not want to be in
15 a world where President-elect Trump announces that he is giving up on regime change
16 without a strategy simultaneously that there is a plan in place that then gives
17 guarantees to the protection of the rights of the majority within the country.

18 Could you walk us through that?

19 Ambassador Benjamin: Senator, if it were easy, it would have been done. You
20 are absolutely right, we are at a stalemate. I think we could imagine a deal in which we

1 said that in return for a ceasefire and cantonization that would preserve the security
2 and the rights of the different groups in Syria, that we would be prepared to see Assad
3 stay in power for a certain number of years before leaving the scene, and the Russians I
4 believe have indicated that they are not prepared to accept even that because they want
5 a strong Syrian state. It is one of their few allies. It is now their foothold in the region.
6 So they have been extremely unhelpful and really recalcitrant.

7 I hope that if there is a warming with Russia, that the new president can leverage
8 his influence with President Putin to move towards that direction. Of course, Secretary
9 Kerry has tried to also find common ground with the Russians in terms of fighting
10 extremists. As we know, right now the Russians are primarily just targeting all regime
11 opponents and not ISIS in particular. So perhaps there is an opportunity for a new start
12 to get towards that diplomatic solution and common cause against extremism that
13 everyone has talked about.

14 **SENATOR MARKEY.** Do you see any possibility of compromise coming from our
15 Gulf partners?

16 Ambassador Benjamin: I think that it is going to be a very, very tricky situation,
17 and I worry that they will view anything that stabilizes the Assad regime as being an
18 unintended signal to them to fund Sunni extremists.

19 **SENATOR MARKEY.** Is there a deal that could be struck that has the Iranians
20 agreeing that they will have no permanent military bases inside of Syria, so that we

1 could kind of back out both external forces in a way that could ultimately lead to some
2 negotiated settlement among Syrians?

3 Ambassador Benjamin: The Iranians have always depicted their relationship
4 with Syria and then ultimately with the Shia community in Lebanon as a matter of the
5 utmost national security for them. So I find it hard to imagine that they would agree to
6 that, and if they did agree, whether they would abide by such an agreement. So we are
7 playing chess in seven dimensions right now.

8 **SENATOR MARKEY.** I appreciate that.

9 Thank you, Mr. Chairman.

10 **THE CHAIRMAN.** Thank you.

11 Senator Cardin?

12 **SENATOR CARDIN.** I just wanted to take this time both to thank our witnesses
13 and also to make an observation, and I am going to ask a couple of questions for the
14 record that I would ask you to respond to.

15 We just yesterday got the National Defense Authorization Act that was filed. It
16 is 3,000-plus pages. I asked the staff to go through it, Mr. Chairman, to just give me an
17 idea about what is in that bill that would normally come under the jurisdiction of the
18 Senate Foreign Relations Committee. They just gave me the bullets and a one-line
19 summary that took 12 single-spaced pages on matters that should be of interest to us.

1 I want to compliment the Chairman because we did get a lot of our input into the
2 National Defense Authorization Act, and I think we were successful in keeping a lot of
3 stuff out of it, but also a lot of important issues that our committee needs to move
4 forward on were included in the bill. So I am not complaining but just observing.
5 Regardless of what hat you wear, Mr. Chairman, in the next Congress, we need to pass
6 a State Department authorization bill. So I look forward to working with you as either
7 Chairman or in a different capacity to get a State Department authorization bill done.

8 But as was pointed out, we have the authority over the Authorization of the Use
9 of Military Force, and we have not talked much about the military aspects of fighting
10 extremists and violent extremism. So I am going to have some questions for the record
11 as to how effective you believe our military operations have been. It is changed. We
12 are now using drones a lot more. Is that working the way it should? We are using
13 Special Forces. Should we be doing more Special Forces? Should we be doing more
14 ground troops? Because if this committee is going to be called upon to look at an
15 Authorization for the Use of Military Force, I think we have to get the best advice we
16 can as to how the military can, in fact, deal with violent extremism.

17 I am also going to ask you a question for the record dealing with Senator
18 Menendez' point on the financial sanction issues as to whether our laws are strong
19 enough and whether our partner laws are strong enough to have a coordinated effort to
20 try to dry up the financial support for terrorist organizations.

1 So again, I thank you very much for your testimony.

2 Mr. Chairman, I look forward to continuing this discussion.

3 **THE CHAIRMAN.** Thank you.

4 I am going to ask a couple of questions that were not asked. Do not feel like
5 anyone has to stay. These are more just organizational in nature.

6 I know we have a State Department Office of the Coordinator for Counter-
7 Terrorism to the Bureau of Counter-Terrorism, which in itself sounds very bureaucratic,
8 just the name. I am sure that it is not, of course. But could you tell us a little bit about
9 how you feel the effectiveness of that has been, and just to speed things along so we can
10 get to Senator Shaheen's additional questions?

11 There has also been established the Global Engagement Center to Coordinate
12 Counter-Terror Messaging that many of our Gulf allies have created on their own,
13 counter-messaging organizations. How are those in effect working together?

14 If both of you could respond, I would appreciate it.

15 Mr. Zarate: Senator, on the matter of State bureaucracy, your recitation of my
16 former title, there is now, and I think it is appropriate that there is a counter-terrorism
17 bureau. Bureaus are where the central business of the State Department is done, and I
18 believe that Secretary Clinton did the right thing in creating that bureau.

1 I believe the legislation that created originally the Office of the Coordinator for
2 Counter-Terrorism, I am told that it was Secretary Schultz who insisted that that person
3 have the rank of ambassador-at-large so that partner nations would take that seriously.

4 At the time that the bureau was upgraded from an office within the Office of the
5 Secretary to being a bureau, I believe that the State Department had a list of different
6 bureaus that needed assistant secretaries, and some of them were more controversial
7 than others, and therefore the CT Bureau, which I guess everyone thought I had an
8 august enough title, was not put on the list to become an AS, to become an assistant
9 secretary. I am agnostic as to which title is a better one for achieving the goals that
10 Secretary Schultz I think wisely sought out.

11 **THE CHAIRMAN.** But has it been effective?

12 Mr. Zarate: I think it has made a big difference. I think that creating the bureau
13 has made a big difference. The problems that I think dog our civilian-side engagement
14 have much more to do with overall funding of the State Department than with the
15 bureaucracy of the Department itself. So I support that, and I think it has also put the
16 Department on a trajectory towards building really the kind of personnel, the kind of
17 size and staff that is required. So I think it was a wise move.

18 **THE CHAIRMAN.** And the global messaging?

19 Mr. Zarate: I will just sort of underscore my initial concern that was in the
20 testimony. When I was at the State Department, we created the Center for Strategic

1 Counter-Terrorism Communications that was supposed to be an interagency body, was
2 an interagency body. I thought it was doing interesting work, very difficult again to
3 find metrics to know whether or not it was effective. It ran afoul of all kinds of
4 bureaucratic infighting. It has since been subsumed into the GEC.

5 I am simply skeptical, having been involved in this issue now for as long as it is
6 been an issue, that spending as much time and effort on messaging as we do is the right
7 way to go. I am not persuaded that an Emirati messaging hub is going to be received
8 by people who are at risk of radicalization any more effectively necessarily than our
9 messaging, for the simple reason that they consider those governments to be apostate,
10 much as they view us to be infidel.

11 So I strongly believe that the future in CVE is in community-based efforts that
12 intervene with people who are at risk. Again, we cannot cede the entire field, but we
13 should recognize that we are going to have a hard time getting through to a lot of these
14 people. There is a kind of cognitive closed-ness, especially as we see recruitment ages
15 go down and down and down. Kids are not going to be listening to the kinds of
16 messaging we put out, more often than not. That is my view after way too many years
17 of having thought about this one.

18 Ambassador Benjamin: You are not too jaded, though.

19 Just very quickly, Mr. Chairman, on the question about internal State
20 Department bureaucracies, I think the biggest question is how these issues get

1 ultimately integrated, right? And I think the challenge of the bureaucracy within the
2 State Department is how do the issues of counter-terrorism get integrated with the
3 funding and capacity building from the INL shop, which has the vast bulk of those
4 resources in terms of partner capacity building. How does it relate to post-conflict
5 reconstruction in that office? How does this fit into regional strategies?

6 I think we did great work here, and the former ambassadors with whom I have
7 had the honor to work did their best, no doubt. But the question is how does this all get
8 integrated in a way that then is effective as a state department and then as a country? I
9 do not think any titles or work charts will necessarily solve that other than top-level
10 focus on that integration. You can have all the work charts you want, but if the
11 leadership of the State Department is not focused on integrating these issues in a
12 strategic way, it does not matter.

13 On the Global Engagement Center, I agree and disagree a bit. I think we were in
14 a mode where we had to flood the zone. We have to flood the zone in terms of
15 messaging. We have got to figure out ways of countering various manifestations of the
16 threat. We have not talked about this much, but the fact that liberal bloggers are getting
17 attacked viciously in Bangladesh is a manifestation of this threat. The fact that sacred
18 sites have been desecrated and populations extracted from those areas, from
19 Afghanistan to the Middle East, Syria, Iraq, that is a manifestation of ideology.

1 What the Global Engagement Center does not do is think imaginatively about
2 how we counter the ideology as it manifests in all its forms, not just in the latest tweet
3 but in how it is manifesting in ways that are affecting societies and communities. That
4 is really lacking in the center.

5 The other thing that is lacking, and this is where I agree, this cannot be a
6 government-centric-heavy model, and that is kind of where we have gone with the
7 Global Engagement Center. I think we have got to find ways of empowering all of
8 those organic dimensions in the environment, and they are there: ex-jihadis that are
9 trying to counter the message; the women without borders efforts that are trying to
10 counter the recruitment of women and families; all sorts of efforts. You have some staff
11 here working in East Africa trying to work with the Kenyans on some of these organic
12 issues.

13 There is a lot out there that could be funded and scaled. The Global Engagement
14 Center I think is trying to do some of that, but it is very state-centric, and I think we
15 have got to move away from that model if we are going to be effective.

16 **THE CHAIRMAN.** Thank you.

17 Senator Shaheen?

18 **SENATOR SHAHEEN.** Well, thank you for asking that question because that was
19 one of my questions. I think we have heard people testify before this committee exactly
20 to the points that both of you were making, that messaging is a critical part of

1 countering violent extremism, but it is more effective when it is done not by the U.S.
2 Government in the way that we did during the Cold War but more as a grassroots
3 initiative to fund and support networks that are responding in ways that are effective. I
4 think the challenge is how do we do that better.

5 But I want to ask a question about what is happening in Syria right now because,
6 as I have listened to the news reports over the last couple of days, it appears that
7 Aleppo is about to fall to the Assad forces, and that that will then have some effect on
8 all of those rebel groups that have been fighting. Some of the reports that I have seen
9 suggest that they are not interested in reconciling with the regime. They do not trust it,
10 and so they are looking at other extremist organizations that they can join.

11 So if that happens, if Aleppo falls and the Assad forces, along with Russia,
12 continue to make gains, what does that do to the terrorist groups that are currently
13 operating in Syria? What does it do to ISIL? How does that affect what we have been
14 seeing in Syria and the Middle East with respect to terrorist organizations?

15 Mr. Zarate: I think, frankly, it strengthens the hand of these extremist
16 organizations for a couple of reasons, Senator. One, they become the groups of last
17 resort to fight against the Syrians, the Iranians, the Russians. We have seen this with al
18 Qaeda already, rebranding itself in a way, as I mentioned earlier, to serve in that
19 function, to be a very local shock troop to continue to defend territory and populations.

1 The second thing is I think we have to recognize that the question of regime
2 change in Syria has a real impact on counter-terrorism. Assad is a driver for
3 radicalization. We talk a lot about, for example, Guantanamo, or words in campaigns
4 serving as drivers. There is no more important driver for radicalization in the Middle
5 East or the complications that Dan was mentioning earlier in terms of Sunni Arab states
6 being willing to support extremist groups than Assad being in power. So we cannot
7 divorce those two issues, and I think there has been a sense that the U.S. has actually
8 given up on that idea, despite what our policy has been in rhetoric, that we really have
9 not done much to do that and, in fact, have restricted the hands of our allies on the
10 ground to effectuate that change.

11 I think, finally, what it does is it disempowers the United States to shape the
12 environment.

13 The other troubling news, if the news is correct, we heard today, the Russians
14 and the Turks are negotiating with the rebels absent any U.S. aide and absent any U.S.
15 input. That is exactly what we do not want. We do not want the U.S. denuded of its
16 power, its ability to shape the environment. Frankly, then our partners on the ground
17 who have sacrificed and fought on our behalf who are with us, take real lessons as to
18 who they can rely on as an ally. We want our allies on the ground to know they can
19 rely on us. We want our enemies to fear us. And I am afraid what is happening in Syria
20 is going in all the wrong directions.

1 Ambassador Benjamin: I agree with Juan's assessment, and I do think that this
2 will have a powerful impact on the attractiveness of any Sunni groups that are fighting
3 in that region.

4 But to take it one step further, I just want to underscore how the sectarian divide
5 in the region -- sectarian on the one hand and great power rivalry or regional power
6 rivalry between Iran and Saudi Arabia and the Gulf Arabs more broadly on the other
7 hand. It is the defining feature of the region now, and it will continue to feed the flames
8 of extremism for a long time to come. I do not believe that the West has had a serious
9 conversation about whether or not there is an off-ramp. I do not think we have had a
10 serious conversation with any of these partners. I think it is taking the United States in
11 directions that we should be very, very wary about -- for example, our role in Yemen
12 right now.

13 This is, again, one of those big historical forces that we need to think very hard
14 about how we grapple with it.

15 **SENATOR SHAHEEN.** I could not agree more. Let me just say that one of the
16 reasons that Assad has been able to be successful is because of the atrocities that he and
17 the Russians and the Iranians have committed against the Syrian people, and that the
18 West has been far too quiet about those atrocities. We should have acted before now. It
19 is heart-breaking to see what has happened in Syria.

20 Thank you, Mr. Chairman.

1 THE CHAIRMAN. I could not agree more.

2 Thank you both. We were talking earlier about what great witnesses you all are.

3 We usually like to have controversial hearings, but you all agree so much that it has
4 been difficult. But it is something that I think our country agrees, generally speaking,
5 about, and that is countering terror, and we thank you both for your expertise and the
6 experiences you have had and the knowledge you have shared with us today.

7 We are going to leave the record open, if we could, until the close of business
8 Monday. You all have done this before. People will send in written questions, and if
9 you could respond fairly quickly, knowing you have other jobs to do, we would
10 appreciate it.

11 But you all have been great witnesses. We thank you both for your service to our
12 country.

13 And with that, the meeting is adjourned.

[Whereupon, at 12:30 p.m., the hearing was adjourned.]