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THE CHANGING TERRORIST THREAT AND NCTC'S RESPONSE

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JUAN ZARATE: Welcome, everybody, to CSIS. On behalf of Dr. Hamre, Andrew Schwartz, Arnaud de Borchgrave, “Ozzie” Nelson and others here at CSIS, I welcome you. Thank you for attending on such a soggy day out in Washington. My name is Juan Zarate. I’m a senior advisor here at CSIS, and it’s an honor and a pleasure to be before you today, especially to welcome Michael Leiter, the director of the National Counterterrorism Center.

I think all of you know this is an important and very good moment to have Director Leiter with us in the wake of the Portland arrest and the string of disrupted and failed attacks in the homeland, threats to Europe from al-Qaida core, residing in the borderlands of Pakistan and Afghanistan, growing threats from al-Qaida affiliates in places like Yemen and North Africa, and the growing concern over homegrown terrorism and the role of the Internet in radicalization. It’s a good moment to hear from Director Leiter.

Director Leiter and I go way back. We worked together during the Bush administration. I consider him to be a very close friend. But for those of you who don’t know this man, let me give you a quick introduction because he’s a remarkable public servant.

Mike was sworn in as director of the National Counterterrorism Center in June, 2008. He had been acting director since November of 2007 and before that the principal deputy at NCTC. For those of you now aware, the National Counterterrorism Center was created in 2004 to serve as the analytic hub for terrorism and intelligence for the U.S. government, as well as the principal center for strategic operational planning for counterterrorism activities.

Before this, Mike served as the first deputy chief of staff for the first director of National Intelligence. He was the deputy general counsel for the WMD Commission, the Robb-Silberman Commission. Before that, as well, he was an assistant U.S. attorney in the Eastern District of Virginia, a Navy fighter pilot and a Supreme Court law clerk. He does not leap tall buildings in a single bound, but pretty close.

He has been described by some – and I would say those who really don’t know what his day-to-day job is really about – as the “Jack Bauer” of the U.S. government. (Laughter.) I know Mike; I know his job. He’s not Jack Bauer but he’s probably the closest thing we have in Washington in a suit to Jack Bauer. So, I will give Mike that.

MICHAEL LEITER: Minus the torture. (Laughter.)

MR. ZARATE: We worked closely together when I was at the White House and, again, I consider myself to be a close friend of Mike’s. In full and proud disclosure, I currently sit on Mike’s board of advisors at the National Counterterrorism Center. I’m proud to do that.

The order of business here will be that we’ll hear from Director Leiter for about 25 minutes. I ask that you turn off your cell phones or at least put them on vibrate. We’ll then

move to questions and answers. I will moderate that. I will call on individuals. We will have microphones available. I ask that you first identify yourself and, secondly, ask a question as opposed to a longer comment or pontification that we sometimes hear. But with that, and without further ado, let me present Director Michael Leiter. (Applause.)

MR. LEITER: Well, thank you very much, Juan, and thank you to CSIS for hosting me today. I do want to note, after such a kind introduction by Juan, I would be remiss if I didn't note Juan Zarate, throughout the Bush administration, served this country with amazing grace and skill and energy. I think I'm still trying to catch up on the e-mails he sent me at about 2 a.m., and those go back two or three years now. So, Juan really is a gem and someone who continues to guide. The NCTC, as he noted, is a member of my board.

Today what I would like to talk about is really in three areas, and I will do my very best to keep us to 25 minutes.

First, I do at least want to briefly give you a sense of how I see the changing nature of the threat. Now, I know for some of you, you have heard some compilations of that before, but I think the threat is moving rapidly enough that we can't do this quite often enough.

Second, I would like to give you a sense of where I think we are in our effectiveness against that multifaceted terror threat, and also an important point, where I think we should aim to be, which is a point which I think we speak about a little less often.

And, finally, I'd like to speak at the end about how I believe we can make greatest progress on the ideological front. Much of what we read about in the news today is about stopping an individual plot, putting up defensive measures. But I do want to spend some time at the end of this talk today, before questions, discussing how, on the ideological front, as al-Qaida transforms from a hierarchical organization to a movement, how I believe we can best advance our national interests.

So, to begin with the changing face and, frankly, the increasing complexity of the terror threat that we face today, I'll break that down into three semi-distinct faces: first, al-Qaida as an organization, and that really runs from about 1998 or so until roughly 2006; second, the rise of al-Qaida affiliates, 2006 to 2009; and then what I would describe as our current phase, the self-sustaining affiliates and more of a movement of al-Qaida, 2009 to the present. I won't spend extensive time, but let me briefly describe each of those.

I think the first is largely self-explanatory: 1998 to 2006, the core of al-Qaida was in fact a hierarchical organization – Afghanistan and other locations and, ultimately, today largely in the federally administered of Pakistan – a hierarchical organization that was aimed at launching complex attacks, be it the simultaneous attacks against two embassies in Africa, the Cole attack or, obviously, 9/11, and then culminating in an attack that was effectively disrupted by the U.S. and our allies in 2006, the plot to attack up to 10 airliners flying across the Atlantic, which, if successful, might have been as deadly as 9/11. A hierarchy – complicated organization – complicated and very catastrophic attacks.

In 2006 we start to see a change. And, again, I admit that these dates are somewhat arbitrary. The sections or the phases clearly mix with one another. But in 2006 and slightly before in some areas, we start to see the immersion of more complex and more important regional affiliates for al-Qaida, all, in my view, spawned in part by al-Qaida's call to a global jihad but, equally important, spawned by local circumstances, whether those circumstances were Iraq, in the case of al-Qaida and Iraq, or East Africa or Yemen. And with those – the rise of those affiliates came an additional threat, but in most cases a very different threat from that complex hierarchical structure that we saw with al-Qaida senior leadership.

Finally, in 2009, I think we have entered a third phase, and in that, these affiliates have no longer simply relied upon their linkages to al-Qaida senior leadership in Pakistan but they have in fact emerged more as self-sustaining, independent movements and organizations. Now, they still have important tentacles back to al-Qaida senior leadership – I don't want to downplay that – but in many ways, especially in the case of al-Qaida and the Arabian Peninsula, operate with a greater level of independence.

And, frankly, they operate at a different pace and with a different level of complexity than does al-Qaida senior leadership, and that has complicated our task significantly. And I want to also highlight in this last phase what I view as an emerging – I hope not trend but at this point over the past year, an emerging challenge of a growth in homegrown radicalization here within the United States.

Now let me just highlight a few things about these phases that I think are very important. I've described three phases but with the emergence of each of these phases, the board was not erased. This was not a wipe board where one group was written up and we erased it and put up the new phase. Instead, each of these phases was in fact additive of the other. None of the prior phases has – none of the successive phases has eliminated the prior threat.

And although the pieces are connected, as I have said, they are, in many ways, less reliant on one another than they once were. So, while I respect my friend Juan Zarate tremendously, he has often referred to this as the Hydra – that you can cut off heads but you really have to go for the body. What I would suggest is, at least to some extent, there is less of a body here to go after and it is simply a multitude of heads, which, again, although related, are not reliant on one another.

I'll close by saying we do not, again, have the luxury in the counterterrorism community of focusing on simply one of these threats. It is not a multitude of threats that we face. And, again, they pose very different threats, and I think understanding those different threats are important in crafting our policy responses.

As I said, an al-Qaida core, a level of complexity and potentially catastrophic events which I think certainly modify my work and make me focus on that every day. Al-Qaida in the Arabian Peninsula – a lower level of complexity, a desire to launch more attacks more often, I believe, than al-Qaida senior leadership, which can certainly have catastrophic effects. If Umar Farouk Abdulmutallab had successfully exploded his bomb over Detroit, more than 200 people

could have been killed, but then lower-scale attacks, like their planned attack against two cargo planes.

And on the homeland front, again, a diversity of threats which in most cases do not pose the same catastrophic results but certainly can have an enormous effect on the United States in particular events like the shooting at Fort Hood last year. And of course, as Juan also noted, the recent attack in – or the recent – the recent arrests in Portland in which an attack was effectively disrupted through excellent work by the FBI and the intelligence community.

So, in light of this threat as we see it today, and the way in which it is combined over the past several years, let me move now to my second point: Where are we in being able to combat this? And, frankly, where should we as a counterterrorism community, aim to be, and where do I think that our political leaders and the American people have a right to demand that we are in fighting this threat?

First, regardless of the challenges we face, it is impossible for me – and I'm obviously biased – but it is impossible for me to give a speech here at CSIS and not note how much better off we are today as a nation and with our partner nations than we were in 2001.

Our ability to share information, our ability to engage in offensive operations in a variety of places around the world, and to engage in the equivalent of offensive operations here in the United States in terms of actively disrupting attacks before they occur through the FBI, or defensive measures, whether it's screening or other efforts, and our ability to work with partners globally and having grown that partner capacity over the past nine years is really, really significantly better than it was in 2001.

That is an important point, that despite the challenges we face, we have made significant improvements. And the result of that is, in my view, that the threat of that most severe, most complicated attack is significantly lower today than it was in 2001. I have to stress, that threat is not gone. Some of the warnings that the U.S. government provided to our European allies earlier this fall about al-Qaida threats to Europe highlight that the complex hierarchical al-Qaida senior leadership threat remains. Clearly, the cargo plots forced by AQAP remain. But the likelihood of their success has, in my view, been significantly diminished, although not eliminated.

Another point I would make which I think is one that frankly has not been discussed public all that much recently – and it is because we have had significant success – I believe that the likelihood of an advanced CBRN attack emanating from al-Qaida senior leadership in Pakistan has also been greatly diminished.

I see Ambassador Ken Brill, the former director of the NCPC, here in the audience, and far be it for me – I would certainly not want to suggest that there is not a CBRN threat out there today. That threat remains, but the likelihood of a complex CBRN attack emanating from Pakistan, perpetrated by terrorists, in my view, has been significantly diminished, and it has been significantly diminished because of the work of the United States counterterrorism community and our partner nations.

But although I can tell you that certainly at NCTC – and I’ll speak for the entire counterterrorism community – we aim for perfection, perfection will not be achieved. Just like any other endeavor, we will not stop all the attacks. Now, I want to be very, very clear in this because some comments in this vein have previously brought the ire of some. To say that we will not successfully defend against all attacks is certainly not to say that we are not trying to stop all attacks. We are. It is certainly not to say that any attack is okay. If there is an attack, it may well be tragic. Innocent lives will be lost.

I have dedicated my time at NCTC, and our organization dedicates our time, to trying to prevent that. But we still have to be honest, and we have to be honest that some things will get through. And in this era of this more complicated threat and a more diverse threat and lower-scale attacks, to include individuals who have been radicalized here in the homeland, stopping all of the attacks has become that much harder.

Now, I also want to point out that this is very much a bipartisan sentiment that I am expressing. I was, as Juan noted, nominated for my position by President Bush. I’ve been honored to be asked to stay on by President Obama. This is not a new position.

And I would like to quote a White House document that Juan was involved with, “The U.S. National Strategy for Homeland Security,” published in 2007: “Despite our best deterrent and mitigation efforts, terrorist attacks will happen and we must work to minimize the consequences of their occurrence.” And I believe that this sentiment, that we must work to stop all but we will not be 100 percent successful, should be a bipartisan message.

Now, what I would like to speak to now, though, is what that means in terms of our reaction if an event does occur. And, again, I’ve been probably overstressing this point. I, at least as much as everyone in this room if not more, am trying to avoid that case. But if an attack does occur, what should we do? Well, I’ll offer at least four things that, in my view, we should do, and we should do as apolitically as possible.

First – first and foremost, we should look at the system. We should look critically at ourselves, at our organizations, at oversight, at all of those pieces, and try to improve it. It is certainly possible that if an attack occurs and we didn’t stop it, something went wrong, and we should try to improve the system, as I think we did after 12/25 and other events.

Second, in words and deeds we have to show our commitment to holding the terrorists who were responsible for this accountable. We must – and this may be a statement of the obvious, but we must be very clear that individuals and organizations that perpetrate terrorist attacks against the U.S., our allies and our interests will be held accountable.

Third, we have to illustrate ultimately the futility of terrorism through quiet, confident resilience. We help define the success of an attack by our reaction to that attack. And one of the ways that we illustrate to terrorists that their methods are fruitless and that their goals will not be achieved through terrorism is to respond with resilience, to respond with resilience that we will move on; we will address the causes of the attack; we will hold those accountable; we will be

ready to respond to those attacks. But ultimately, we as a nation, as I think we have proved ourselves time and time again, will be resilient.

And, fourth, we must, in my view – assuming that the next attack is in the vein of al-Qaida's ideology – we have to continue to illustrate our commitment to positive, affirmative, tangible engagement with the U.S.-Muslim community and the Muslim community throughout the world. We have to show, over and over, why we have a positive agenda which will advance the interests of Muslims and non-Muslims alike.

Now, let me give you four things that I hope we don't assume, should an attack be successful, and this first one is a bit of a life insurance policy for me, but I'll say it anyway. We should not assume that everything is broken.

Now, it may turn out that everything is broken, but indeed I think we need responsible oversight, reform before the fact, to make sure that we have agreement about the fact that we are doing the right things to reduce the likelihood of an attack, and should an attack occur, as I have already said, we should look critically at the system, we should try to improve it, but we should not, and in my view cannot, assume that everything we have done so far is broken and doesn't work.

Second, we should not assume that the terrorists are 10 feet tall. It turns out that an open society with millions and millions of people crossing our borders every day, with the tools of a terrorist being readily available in many ways, whether or not it's firearms or precursors for explosive devices, we shouldn't assume that they're 10 feet tall. We have to be taller than them. We have to be more resilient than them. The fact that they get through at times in a relatively free and open society does not mean that they are all-powerful.

Third, we should not assume that the terrorist threat is existential. Again, I want to stress, the loss of a single life to a terrorist is a tragedy. I walk into my office each day looking at the remains of the World Trade Center, a flag from the site in New York, pieces of the Pentagon. I do not want to downplay in any way, shape or form the tragic loss of any individual who is lost to terrorism, but that does not mean, as tragic as those losses can be, that the threat to terrorism is existential.

There are pieces of the terrorist threat which I believe do have such repercussions that we must do absolutely everything we can to stop them, in particular terrorist access to weapons of mass destruction. But not all terrorist events pose an existential threat, and we have to remember that after an event.

And, finally – I won't dwell on this because I'd like to keep my job – we should not assume that either party has all the answers to stopping terrorist attacks. In my view, again, having served in a Republican administration, now serving in a Democratic administration, both parties – the leaders of both parties, the members of both parties, have good ideas, and we should not assume that one party or the other knows exactly what should be done.

Now, in my relatively closing, I want to comment on something that has become a more common refrain among some commentators, and that is that the reason we've stopped these attacks is that we've been lucky. Now, frankly, there's some truth to that. It turns out that sometimes it is better to be lucky than good. But I'll note Tom Friedman wrote in November, "In fact, in the past year we've won the lottery five times in a row."

Well, I respect Tom Friedman very much but I respect Tom Jefferson even more – Thomas Jefferson that would be – and he wrote, "I find that the harder I work, the more luck I seem to have." And the point I'm trying to get across is of course luck does play a part in some of these things, but in many cases – and this is what many in the public do not see – the counterterrorism community helps make its own luck.

Now, again, I want to caveat all this with the fact we haven't always performed in the counterterrorism community as well as we would have liked or as well as we should. That was certainly the case on 12/25. But the system has helped us make our own luck in a way that we have, again, reduced the likelihood of some attacks being successful.

No single tool – intelligence, law enforcement, defensive measures, offensive measures – will stop all the attacks, but as a whole they create a system that reduces the likelihood of terrorist success, and that is the luck that we are helping to make.

The case of Umar Farouk – again, we didn't do as well as we should. Did the work behind the scenes reduce the likelihood that his bomb would be effective, that he would be well trained? In my view, absolutely. Faisal Shahzad, the Times Square bomber, we did not find him before the fact but were pieces of that counterterrorism puzzle in place that reduced the likelihood that his bomb would work in Times Square and kill innocent people? Absolutely.

So, again, we know that we will not catch all the people before they do very bad things, but do we have the right pieces in place that we reduce the likelihood that they will be successful? That is how we help make our own luck.

Again, in the closing five minutes – I think I'm on time –

MR. ZARATE: I think you're good.

MR. LEITER: – for once. In the closing five minutes, since I've been talking a lot about stopping specific attacks and, to some extent, how I hope we as a people and as a government can respond to attacks, I want to talk a little bit about the longer-term effort that we also have to engage in, and that of course is the ideological effort to undermine that third phase of this threat, which is that movement.

And in my view, it's really clear what we have to do, and that is – again, as I mentioned – we have to highlight the futility of the terrorists' effort and we have to show our positive agenda, and we have to show that positive agenda with clear, tangible steps.

Now, how can we actually do that? It's easy to say, how do we highlight the futility of al-Qaida and highlight our strengths? Well, first – and I admit that this is an excessively odd point to make as I give a public speech about counterterrorism – sometimes we ought to just talk about this a lot less. We shouldn't always be vocal, in my view, and visible about all the things we are doing in our society about counterterrorism.

Why? Because to some extent talking about it constantly, being vocal about counterterrorism delivers to al-Qaida some of the profile that they would like. So, I would ask you to understand – and many of you may after this speech – why I don't give a lot of speeches, because in my view, it is not always best for us to hammer the counterterrorism drum over and over again, because by doing so we can in fact glorify al-Qaida, who are simply a bunch of murderous thugs.

Now, second, I believe we have to continue to disaggregate this threat. Now, I didn't make a lot of distinctions between organizations, but I did highlight earlier in this talk how although there is a common thread through all of these groups – and that is clearly al-Qaida's ideology and bin Laden as an individual – much of the motivation for these regional groups that we now face is still grounded in local issues, local agendas, local problems.

To the extent that we, in our messaging, can disaggregate that whole, we will effectively undermine that global agenda. To the extent we look at it as a one-size-fits-all problem, in my view we are feeding the idea of a global jihad, which we should not do.

Third, we have to look to empower local organizations, local governments, local non-governmental organizations who have true credibility in working with their Muslim communities. The U.S. government can only do so much of this. We must find those grassroots organizations and the local governments that have credibility where we may not, and that is true both domestically and overseas.

And, finally, I believe that we have to do all we can to move away from the rhetoric of a clash of civilizations. Rather – because I think that rhetoric can feed into al-Qaida's rhetoric that they are defending the Muslim ummah against the West. Rather, I think we have to move towards very grounded themes, concrete illustrations of why the U.S. government and democratic ideals will advance their interests and how al-Qaida's will not.

And I think it's easy to show the futility of al-Qaida's message. Al-Qaida and its organizations have never had and will not have a positive agenda. I've said it before but it's worth noting, the overwhelming majority of victims of al-Qaida's violence globally continue to be Muslims. Al-Qaida is not fighting the West; al-Qaida is in fact fighting and killing Muslims.

Look at the bombings of the embassies in Kenya and Tanzania, the recent killings in Uganda, the innocent victims in Iraq, the bombing of the wedding in Jordan, the thousands of innocent victims in Afghanistan and Pakistan. There is no positive agenda there. There is death.

And when you compare that, frankly, with what I believe is a positive U.S. agenda, I think stated most eloquently by President Obama in his Cairo and Istanbul speeches, but then

drill down into what I think need to be tangible programs that need to be expanded and increased and accelerated – economic development, scientific development, polio eradication, whatever it might be – that is a positive agenda. And it is not about a clash of civilizations. It is about helping people and countries where they align themselves with positive steps to make their people's lives better.

And if you look at U.S. assistance, whether it was Bosnia or the earthquake in Pakistan or more recently the flooding in Pakistan, the tsunami in Indonesia, what you have are clear, concrete steps that the U.S. government has taken and will continue to take to show this positive and clear message.

So it is actually 25 minutes. I appreciate your time today. I appreciate the opportunity to try to give you a sense of where I think we are, where I think we're doing well, where I think we should be doing better, and, most importantly, where I hope we will be, should a tragedy occur and we don't stop the next attack.

But I can tell you that I and every member of the U.S. counterterrorism community remains as committed to the goal of perfection as people were on September 12th, 2001. And it is a fight that we believe in and it is a fight that we will absolutely continue as strongly as we possibly can.

Thank you very much. (Applause.)

MR. ZARATE: Thank you, Mike. You gave us a lot to think about. We are very fortunate and honored to have a distinguished audience – Judge Webster; see that you're here; Director McLaughlin and others. So I want to open it up directly to questions.

If you have a question, please raise your hand and a microphone will quickly appear, and ask that, again, you stand up, identify yourself, and ask a question.

Why don't we start with that gentleman there in the back.

Q: Thank you.

Good morning, Mike.

MR. LEITER: Hi, Gary.

Q: Gary Thomas from VOA News.

I'm just wondering if you could expound a bit on the question of the homegrown terrorist threat. How much of this is ideologically driven internally, and how much of it is being fed by direction from overseas? Is there a way to quantify that at all?

MR. LEITER: Unfortunately, Gary, I don't think there is a perfect way to quantify that. I think, like most social phenomena, the issue of radicalization – there are an enormous number

of drivers to that radicalization, and not just the radicalization, which really involves a change in one's ideas and world view. But in my view, the more problematic step of mobilization and actually then taking those radical ideas and seeking to play them out violently.

I will tell you that I think, wherever you are, whether it's domestically in the United States or overseas, the factors that drive that radicalization, again, are a mix, but are also localized. So the message which is speaking to a tiny, tiny, tiny percentage of Americans here in the United States, that either pulls them to fight overseas or to plan here, that message is uniquely American. And organizations like al-Qaida in the Arabian Peninsula are trying, through magazines like Inspire that you've covered, are trying to speak to that uniquely American experience.

I think that our response to that has to be both global in the sense of undermining the baseline ideology that is the foundation for that, but then very much localized to the local drivers of that radicalization. The fact is, to the extent we've seen radicalization in the United States, it's been quite varied in the communities it has affected. Everyone knows about Jihad Jane, to individuals of Somali descent like the arrest in Portland.

We have to examine each of those communities and help those communities combat that radicalization in not just a uniquely American way but a uniquely localized way for that community and that population.

MR. ZARATE: Let's go with this gentleman here.

Q: Hi, Director Leiter. Ken Dilanian from the L.A. Times.

Do you agree with Director Clapper that WikiLeaks is going to chill information sharing? And does it suggest that information sharing has gone too far?

And can I just ask a totally separate question is, which is a question that Senator McCain asked you at a hearing recently. If the U.S. captures a terrorist somewhere outside of Afghanistan and Pakistan, what do we do with them, and how are they interrogated?

MR. LEITER: I'll start with the first. I absolutely agree with Jim Clapper, not just because he's one of my bosses. I agree with him that it has certainly driven individuals in the intelligence community and beyond the intelligence community to at least re-examine information sharing and assure that we are still getting the right information to the right people, but we're not getting excess information to the people who really don't need it.

I also, I think, would be remiss if I – I couldn't agree more with the statements by Secretary of State Clinton and the attorney general and the White House condemning, in the strongest possible terms, the disclosure of classified information this way. It will undoubtedly endanger lives, undermine U.S. national security and make it more difficult to have the candid conversations that we must have with our allies.

I think, actually, within the counterterrorism community we are in a relatively healthy place on information sharing. In fact, I think, in many ways, the counterterrorism community is ahead of where some of the other elements of the U.S. intelligence community are, because, forced by the circumstances of 9/11, we examined those priorities and how we would protect that sensitive data a little bit earlier on.

So I think we certainly will re-evaluate where the information is going. You, of course, run the risk of a chilling, and that information wouldn't be shared in a way that would undermine our ability to disrupt attacks.

But I am actually relatively comfortable with the way in which information is being shared and adequately protected within the counterterrorism community today. I think we have standards and processes to segment how information is moved, who sees that. And in part, that is the NCTC's role, that although we see all the information, we don't send all that information right back out. And one of the reasons that we don't share all that information right back out is because of the counterintelligence risks that that would pose.

With respect to your second question, I'll be more brief. I think the U.S. government continues to have a variety of tools that it can use and a variety of paths it can take when terrorists are captured overseas. I think that we certainly have the ability – as Judge Webster knows so well, those individuals, as they have for decades, can be brought to the United States for prosecution. Individuals can also – consistent with the AUMF and other legal restrictions, can also be held, detained, questioned through a variety of means.

MR. ZARATE: Let's go with this young lady up in front.

Q: Hi. Catherine Herridge, Fox News.

I just need you to clarify a comment you made earlier. You suggested, at least, or implied that al-Qaida's senior leadership, bin Laden, was behind the heightened threat picture in Europe. I just want to make sure that that's the point that you wish to make there.

And the second is what role did the American cleric play in the cargo-bomb plot earlier this year?

MR. LEITER: I'm not sure I said bin Laden. I will say that the threat and the warning to Europe was related to what we assessed to be al-Qaida plotting coming out of Pakistan. So that's about where I would lead it.

With respect to Anwar Awlaki and the cargo plot, I want to be a little bit careful. As I'm sure it doesn't surprise you, Catherine, given lots of ongoing intelligence operations and investigations, I think I'm going to leave it at, as I have said publicly before, Anwar Awlaki is well beyond simply an ideologue. Anwar Awlaki has been engaged in operational planning for al-Qaida in the Arabian Peninsula in the past, and we certainly believe that the cargo plot emanated from al-Qaida in the Arabian Peninsula as well. And his exact involvement I'll leave for another day.

MR. ZARATE: Let's go to this gentleman right here.

Q: Yes. My name is Greg Aftandilian. I'm an independent consultant.

The Bipartisan Policy Center came out with a report in September, and one of their criticisms was that there was no one U.S. government agency that deals with counter-radicalization. And I was wondering if you can comment on that. Is that a fair criticism? Or if there is a government agency or several, how are they dealing with the issue of counter-radicalization? Thank you.

MR. LEITER: I'd be happy to address it. I've had this conversation with Congressman Hamilton and Governor Kean, who, again, I thank them for all their work on this. I think their continued effort to soberly look at the threat and our response is extremely valuable to the U.S. government and the American people.

What I would say on the counter-radicalization point, I think they are correct in their factual observation that no single organization is responsible for counter-radicalization within the U.S. government. What I would disagree with is their conclusion that there should be.

In my view, there is a single point for the strategy behind counter-radicalization; that is the White House. There is a single point for the interagency coordination of that strategy; that is the National Counterterrorism Center – not my intelligence hat, but in my strategic operational planning hat.

There is not, nor should there be, a single organization within the U.S. government that is responsible for implementing that counter-radicalization program. And the reason is quite simple. No organization within the U.S. government has all of the tools necessary to effectively counter radicalization.

The FBI has a critical role in countering radicalization through its engagement with communities. The Department of Homeland Security has an equally critical role in working with Citizenship and Immigration Services, their civil-liberties office. The Department of Justice writ large has a critical role in counter-radicalization through its enforcement of U.S. civil-rights laws.

And I could go on and on to organizations like the Department of Education that deal with school children and anti-violence agendas, curricula within the schools, Health & Human Services for the engagement that they do.

What we know from other countries' experience and our own experience is that not only can no single element within the federal government employ all of the tools you need to effectively counter radicalization. The federal government cannot utilize or cannot employ all the pieces that need to be employed.

Again, we have to rely on state and local governments and non-governmental entities to engage in this effort at counter-radicalization. So I think there is a single place for strategy. There is a single place for coordination. There is not, nor should there be, a single organization responsible for implementation of each of those pieces.

MR. ZARATE: Let's go up here to this gentleman.

Q: Thank you. Pierre Thomas from ABC News.

Two very quick questions. Could you talk about the pace in the last 13 months with the disparate attacks, attempted attacks, on the United States and also how helpful it is for al-Qaida to have Americans like Awlaki and Samir Khan as a part of their organization, how it affects their strategy, please?

MR. LEITER: The pace has been relentless, Pierre. The pace since 2001 has been extremely heavy already. So this is not – the counterterrorism community is not one – and I haven't been involved since 2001, but I have plenty of friends who have been. The pace has been relatively frenetic since 2001. And I can tell you that the past 13 months have been as intense, if not more intense, because of the variety of threats than any time since 2001.

With respect to the importance of having Americans within these organizations, in part it depends on the individual. I think there are some Americans who are involved in these organizations that frankly have not effectively used their American-ness to speak to other Americans and westerners.

I think, in the case of Anwar Awlaki and some other individuals, especially in AQAP, they have been important to speaking with a voice that could potentially resonate with, again, a small percentage but an important percentage within the West. And our job, again, is not only to make sure that those individuals can't join up in the first place, but to bring them to justice if they're engaged in terrorist activity, and ultimately show why their message is simply false and that the U.S. is not at war with Islam, that the U.S. embraces Muslims like it embraces people of all faiths and no faith at all.

MR. ZARATE: Let's go right here to this gentleman.

Q: Rob Cortell (sp) with Intellix (sp).

Thinking specifically in terms of the homegrown threat, most of what we've seen so far are fairly conventional tactical kinds of things, bombs and stuff like that. Are you seeing any evolution in this, into something more complex, such as attacks on food and water, things like that?

MR. LEITER: I think the interest has been there since 9/11 from both outside the United States and slightly more recently within the United States. So the interest remains. The ability to actually perpetrate those attacks in many cases remains limited.

Now, just like it's difficult, very difficult, to stop – or let me rephrase that. Just like it is impossible to stop all small-scale attacks, frankly, it is likely impossible for us to stop even the smallest-scale CBRN attack. We had CBRN attacks in the form of poisoning Tylenol, perhaps under your tenure, Judge Webster. That's a CBRN attack.

So there are going to be low-scale efforts which could be perpetrated. We have to, again, try to stop them. We have to certainly address the lower-likelihood-but-higher-consequence more complex attacks. We have to reduce the availability of expertise and materials that would enable some of these attacks.

But right now I think the homeland threat remains relatively conventional. But the fact is, conventional can still work. The tragedy of Fort Hood is quite clear, and certainly not lost on me. The loss of life there was through a very conventional attack, had a searing, searing effect, I think, certainly on those families who lost loved ones, on the U.S. military, on Americans writ large.

So those small-scale attacks, as difficult as they are to stop, can still be quite painful, are quite painful, although I would go back to one of my earlier points – still are not existential.

MR. ZARATE: Let's go with this lady up front.

MR. LEITER: You're calling on all the press, Juan. They know how to raise their hands more effectively. (Laughs.)

Q: Jeanne Meserve from CNN.

A two-parter. One, Julian Assange – has he violated the Espionage Act?

And secondly, you've talked about the need to cultivate better relationships with Muslim communities. But have the number of undercover operations conducted by the FBI, including this week's operation in Portland, does that run the risk of undermining good relations with the Muslim community at a time when they're critical?

MR. LEITER: On the first, I really am going to defer completely to the Department of Justice, because although I once was a lawyer, I don't play one anymore, and I do not understand the complexities of the act. So I have to leave that to both the FBI and the Department of Justice to make that judgment.

With respect to the second, it's, I think, a very fair question, Jeanne. Certainly, if done the wrong way, such undercover operations can threaten the relations between a particular community and federal law enforcement. And I don't think it's a secret that often those communities that are – in which the FBI is operating, you can have difficult relationships with the community that you do very much need.

So I think that those operations, though, are, A, absolutely vital and critical to trying to prevent attacks. The fact is, as the attorney general spoke last week, the individual in question

here – obviously I can't comment extensively because there's a pending trial – but, in our view, posed a real threat. And I think the FBI did an outstanding job disrupting that threat.

Now, the question, though, is what the FBI does - and I think they do quite a good job – both before and after such operations of engaging with the rest of the community, explaining to the community that they are not targeting them as a community; they are targeting actors within that community that are pursuing violent means. And those are two very different things.

And, going back to the prior gentleman's question, it's exactly why you need multiple actors involved in countering radicalization, because as much as the FBI does, as well as it does it, both before and after such operations, last I checked, their agents carry badges and guns. And certain individuals in certain communities are not going to react particularly well to engagement with someone carrying a badge and a gun.

And that is why we need other organizations that don't carry badges and guns – the Department of Education, the Health & Human Services, Department of Homeland Security – to work with those communities to show that it is not an adversarial relationship between the U.S. government and their communities. In fact, it is quite a cooperative one whereby the U.S. government can help those communities reduce the likelihood that their children will become victims of al-Qaida, because when that suicide bomber blows himself up in Somalia or potentially in Portland, they are a victim of al-Qaida as well. And we have to help those communities avoid their children being victimized in this way.

MR. ZARATE: (Inaudible) - up here in front.

Q: Thank you. (Inaudible.) It's sort of a bigger-picture question. To what extent are these three stages that you have described about the evolution of terror a natural evolution or random evolution or a response to actions that we have, sort of Newton's law of motion?

And to the extent that the threat has become much more diffused through these different stages, to what extent can we anticipate some of these things so we can be proactive instead of responsive to them?

MR. LEITER: An excellent question. I think it is a combination of a natural evolution and clearly the effects of U.S. counterterrorism efforts. Certainly the reduction of the sophisticated threat out of Pakistan is in large part due to the efforts of the United States and our allies. And as that occurs, there was less – at least a bit of a leadership vacuum, which allows these regional organizations to play a larger role.

Now, of course, the extent to which those regional organizations can become stronger and have a transnational reach is again going to be dependent on the work of the U.S. government and our allies in combating them. So I think that al-Qaida's success on 9/11 was clearly helpful to them in launching more of a movement.

Let's remember. Bin Laden is issuing fatwas against the West in '96, '98. And frankly, they fall on pretty deaf ears. You have the tragic success, in their view – tragic in our view;

success in their view - of 9/11, that becomes a huge amplifier of that message, which then resonates with some, and you end up with a natural evolution towards a movement.

Now, the extent to which that movement can take hold will be affected. It can either be accelerated or diminished by U.S. actions. I think if you look at global polling numbers, as a general matter, al-Qaida's message is resonating less today than it was on 9/11. There are certainly some problem spots there. But if you look at the series of nations with majority Muslim populations, bin Laden personally, al-Qaida's terrorist tradecraft, all of that is becoming less popular in most places in the world.

So I think we are doing things that are effectively undermining that message. I think as it moves to a dispersed movement, as we face a homegrown threat, we have to shift our tactics. Can we stay ahead of that? I think we can. And I think, in fact, that we have, frankly, so few people in the United States who have adopted this ideology and are moving forward is in part a testament to effective counterterrorism work.

Now, I don't want that to be misread to mean that I don't think we have a problem here or that we never thought we had a problem here. That's simply not the case. We have known the potential for a problem, and we have to do what we can to reduce the likelihood of that problem growing.

MR. ZARATE: We probably have time for two more questions. Let's go with this enthusiastic gentleman up front, and then one more after that, if that's okay, Mike.

MR. LEITER: I'm fine.

Q: Thank you. Adam Goldman, the Associated Press.

I hope - I was hoping you might address another part of the, or, slice of the AQ picture. As you know, after 9/11, a core group of senior AQ guys went to Iran - Abu Hafs, Saif al-Adel, Sulaiman Abu Ghaith. And there's been persistent reporting these guys are out and are back in Pakistan, in particular Saif al-Adel.

I guess many people in the intel community would think this would be a morale boost to AQ and a game changer, and also a violation of the U.N. resolution. And I'm wondering, you know, if you might provide some clarity today. Is Saif al-Adel, the former military commander of AQ, back in Pakistan? Did Iran let these people go? Thanks.

MR. LEITER: You will be shocked to know that I won't comment on sensitive intelligence here today. (Laughter.) But what I will say is I'll hark back to what you cited, which is a U.N. resolution requiring member states to proactively incarcerate and hold al-Qaida associates.

And I think that that resolution remains as important today as it was on 9/11, and, frankly, in some ways more important in that as we can - as we effectively diminish the ranks of al-Qaida in Pakistan - not eliminate yet, but have diminished - undermined some of their

capability, in my view – as we do that, they will naturally look for ways to reinforce those ranks. And it is critical that we and our partners and all nations ensure that does not happen, not just for our security but for global security and for the security of those states that currently hold al-Qaida associates.

MR. ZARATE: Deftly handled.

Let's – one last one, in the middle.

Q: Hi. David Folio (sp), Raytheon Company.

Director Leiter, deficits are very much in the news right now. Obviously resources aren't going to continue to grow at the pace they've grown. I'm curious. What are some of the challenges that you see going forward? You mentioned information sharing; you were fairly happy with where that was. But just what else do you need from the new Congress or just organizationally? Thank you.

MR. LEITER: Well, David, it is undoubtedly true – and let's face it; there's been an enormous investment in U.S. counterterrorism efforts over the past 10 years. I'd be a fool to suggest otherwise, and I'd be lying to suggest otherwise.

So we, in fact - the Congress and two successive administrations have been quite generous in the funding of counterterrorism efforts, I think appropriately so, because, again, the threat is complicated. It has not gone. And in many ways it's more complicated today than it was on 9/11.

Certainly a year ago my organization was facing cutbacks in a way that frankly would have meant that we couldn't have done some of the analysis and some of the watch-listing that I think are critical pieces of that defensive counterterrorism puzzle. After 12/25, that trend reversed to some extent. And I think we now have the resources we need to address the current threat.

What I would say is a couple of things. First, I can't get – I will not get out in front of the administration, but certainly we hope that the supplemental – not supplemental funding – the overseas contingency operation funding is funded quickly by the Congress, because that funds very critical elements that, again, watch-listing and analysis that were implemented post-12/25 to protect against a very real threat from AQAP and elsewhere. So we rely upon those funds and those people that those funds will support.

The second piece, though, is we have to, as a counterterrorism community, and within the intelligence community more broadly, we have to make sure we're spending our money in the right ways. The threat has changed. Are we still fighting like we were in 2001 or 2004? We have to make sure we're fighting for the current threat, prepared for the evolution of the threat, because it will continue to evolve.

And then we have to make sure that we are expressing to the Congress what the tradeoffs are. If the money isn't going to be there, then we have to be clear about what capability will be lost, and then there simply has to be an informed decision about whether or not that's a good tradeoff.

The fact is that counterterrorism is big and it is complex, and that means it's expensive. And we have to make some judgments about how much we want to fund and what kind of risk we are actually willing to accept, because, as I have tried to stress so much today, no matter how much we fund, we will not eliminate all risk. So we have to make informed decisions about how much risk we really want to try to eliminate.

MR. ZARATE: Fantastic.

Join me, please, in thanking Mike for a thoughtful, insightful and very worthwhile presentation. (Applause.)

(END)