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LUNCH WITH BRUCE RIEDEL

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P R O C E E D I N G S

MR. INDYK: [Bruce Riedel was] the assistant secretary for the Middle East then came back to the National Security Council's senior director in the second term of the Clinton Administration and served there through the Bush Administration, first year, and then went off to NATO, where he was the advisor to the NATO Secretary General.

And Bruce has had a distinguished almost 30 year career in the government working on Middle East and related issues and, therefore, brings to Brookings a considerable experience and expertise in these areas.

For most of those years, he worked in the Central Intelligence Agency. He was an analyst there on Middle East issues and has been a practitioner in some of the most senior Middle East positions in the US Government.

It's in that context that Bruce has started work here focusing on authoritarian allies, Saudi Arabia, Egypt, and Pakistan. Bruce's expertise spreads

beyond the Middle East. I should have said to South Asia as well. And it's within that context that he has been focusing on the re-emergence of Al-Qa'ida. And that's what he's going to discuss today.

So, Bruce, the floor is yours. Welcome.

MR. REIDEL: Thank you, Martin. Thank you, mate, for that very nice introduction. I guess that's the end of lunch for me. But please, you all should go ahead. I'll catch up later.

By my rough count, it is now 1,588 days since 19 terrorists attacked the United States and inflicted 3,000 casualties, making it the second bloodiest day in American history. The morning after September 11, every American politician, from the President to every member of Congress to every governor on both sides of the aisle promised the American people that the perpetrators and masterminds of his horror would be brought to justice or as President Bush said, justice would be brought to them.

And yet, last week in a testimony that got

surprisingly little attention on the Senate, the Director of National Intelligence, John Negroponte said the following, "Al-Qa`ida 's core leadership are resilient. They continue to plot attacks against our homeland and other targets with the objective of inflicting mass casualties. And they are cultivating stronger operational connections and relationships that radiate outward from their leaders' secure hideout in Pakistan to affiliates throughout the Middle East, North Africa, and Europe."

The question that I would like to address today is how is this so. How is it that five years after the fall of Afghanistan, to coalition and Afghan forces, has Al-Qa`ida survived, been resilient, and I would argue, become even more vibrant and deadly than it was five years ago?

What I'd like to do is review the record of Al Qa`ida 's performance since September 11, analyze why it has survived, give my estimate of its future, and finally, suggest a new strategy for dealing with

the Al-Qa'ida menace.

Al-Qa'ida in the last five years has suffered significant setbacks. There's no question of that. Most notably was the loss of the state within a state in the Islamic emirate of Afghanistan. It has also failed in two major offensives to overthrow the Saudi and Egyptian governments. But, most importantly, it has retained a base of operations in the Badlands of Pakistan and Afghanistan, and it has created a new base of operations in the Badlands of Western Iraq. It has spread like a virus elsewhere, developing cadre throughout the Muslim world and particularly in the Muslim diaspora in Europe.

Why has this happened? The short answer is simple. The opportunity to destroy the Al-Qa'ida leadership was lost in late 2001 when they fled into Pakistan where the chase ran cold. Instead of focusing resources and attention on the remnants, America went off to Iraq.

Osama bin Laden was one of the most

enthusiastic endorsers of the American invasion of Iraq and worked openly and hard even before the invasion began to turn it into a trap for the occupiers. He openly said at the time his goal was to "provoke and bait" the United States into "bleeding wars" throughout the Islamic World. He has aggressively pursued, along with his deputies, a propaganda campaign to put himself and his movement forward as the symbol of Islamic resistance on a global stage to America.

Before getting into details, let me make a brief note on sources. By its nature, Al-Qa'ida is an extremely shadowy movement. Almost every issue surrounding its leaders and its activities is the subject of much dispute, even among experts. This narrative will rely primarily on Al Qa'ida 's own words, especially the public messages from Bin Laden, his partner, Ayman Zawahiri, and other key Al-Qa'ida leaders, like the late Abu Musab Zarqawi, as well as Taliban leader, Mullah Omar.

This material is a rich source of information

about the group and its thinking. To supplement this, I'm also going to note a few key points from key Western Intelligence service chiefs that have been made in the open media.

Let's begin with the loss of Afghanistan. Kandahar, not Kabul was the capitol of Mullah Omar's Islamic emirate. Mullah Omar lived in Kandahar and rarely left the city. He hardly ever visited Kabul in the five years that the Taliban ruled the state.

The Al-Qa'ida leadership expected after 9/11, in fact welcomed, the American invasion of Afghanistan. That was indeed one of the purposes of what they call the Manhattan Raid, was to entice the United States into a war in Afghanistan. The model they had in their minds was a repeat performance of the *mujahidin's* victory over the Soviet Union in the 1980's.

They made several important miscalculations.

They didn't appreciate that American military activity would be very different from the Soviet's. And they didn't' anticipate that Pakistan, their patron

throughout the 1990's, would desert them at the last moment. This was, in fact, a key to the defeat of the Taliban in Afghanistan.

Pakistan had provided political patronage to Taliban from its birth, and it also provided considerable military support. According to the best expert on the Taliban, Ahmed Rashid, Pakistani military support through the 1990's to Taliban amounted to over 60,000 Pakistanis who had served in the Taliban militia, and by September 11, dozens of Pakistani army advisors, experts, and even small units of commandos.

When Pakistan, in response to Richard Armitage's threats, pulled those forces out, the rug was cut out from underneath the Taliban. But the Taliban and the Al-Qa'ida leadership recovered very, very quickly. They escaped into the Badlands of the Pakistani-Afghanistan border in early 2002, and the trail, as I said earlier, went stale almost immediately. The Taliban fighters in Afghanistan did what any guerilla movement does when confronted with

overwhelming force, they went underground and waited.

Between 2002 and 2004, their focus was on survival and creating a new base of operations in Pakistan, especially around Quetta and Baluchistan. By 2005, signs of a revival were clear. And in 2006, they stormed back with a vengeance. The Taliban launched a large offensive at the beginning of the fighting season in 2006, even briefly trying to recover Kandahar City itself.

New tactics were employed in a way I had not seen before, tactics clearly brought in from Iraq. Suicide bombings and sophisticated improvised explosive booby traps. Overall, the level of attacks by the Taliban rose from 1,600 and some in 2005 to well over 5,000 in 2006. And suicide operations grew from 27 in 2005 to 139 in 2006.

Throughout this surge of operations, Al-Qa'ida was deeply involved in support, logistics, planning, and leadership, and in providing particularly the new tactics imported from Iraq. Bin Laden, in

fact, appeared in late 2005 in a Taliban video clip in which he was shown advising the Taliban commanders. If the Taliban's fortunes improve in 2007, Al-Qa'ida will be a major beneficiary.

But just as important as the resurgence of the Taliban in Afghanistan was Al-Qa'ida's use of its hideout in Pakistan. From Pakistan, Al-Qa'ida was able to resume propaganda operations with new audio and videotapes of Bin Laden and Zawahiri, as well as new operational activity. These tapes, especially the audio tapes, as I said, are a rich source of information, not just about what the organization wants you to think about them, but about what they think about the world and about their own prospects.

Bin Laden made his first large videotape in October 2004. You may remember it; it came on the eve of the election. He was then largely quiet in 2005 and then produced a whole flurry of tapes in 2006. Ayman al Zawahiri has been much more vocal and consistent. Last year, he gave out at least 15 audio tapes as well

as publishing a new book.

Al-Qa'ida , in addition, came out at the end of 2006 with a major tape entitled "The Manhattan Raid", which provided new details on the attack on September 11, as well as new video clips of two of the pilots never before seen. These tapes find a very receptive audience in the Muslim World.

According to one expert, there are now over 4,500 overtly *jihadist* web sites picking them up everyday. One should assume - more than assume, one should know that in addition to the overt material, there are of course clandestine messages being conveyed from the leadership to their cadre.

One result of the Al-Qa'ida leadership finding a home in the Badlands, as I've said, is that their global operations have become Pakistanized. What do I mean by that? What I mean is this. After September 11, the organization determined that it would be increasingly difficult to bring Arab or South Asian operatives into the United States on Arab or South

Asian passports. It would be clearly much more difficult to get the 19 terrorists after September 11 than it had been previously.

They needed to look for a new mechanism in order to move operatives around. And they found it in the large Pakistani and Bengali communities in the United Kingdom. Over a quarter million strong, those communities turned out to have a significant, albeit small minority of radicals who could be encouraged to perform Al-Qa'ida 's dirty work for it.

Since those people had as a birthright a British passport, they had relatively easy access both into the UK and out and into the US and back into Pakistan. Al-Qa'ida at the same time also moved very vigorously to improve its relationships with Kashmiri terrorist groups like *Lashkar-e Toiba* and *Jaysh-e-Mohammed*.

These ties preceded September 11. In fact, Al-Qa'ida had carried out one of its largest operations in 1999 jointly with them in the hi-jacking

of an Indian airliner from Nepal to Kandahar, but they were significantly expanded after September 11 in order to capitalize on the Pakistani connection.

The extent of Al-Qa'ida 's recruitment in this South Asian community in the United Kingdom was discussed late last year on the record by the director of British internal security service MI5, Eliza Manningham-Buller. She indicated that as of last November, MI5 was monitoring over 200 networks in the United Kingdom of dissatisfied and disaffected South Asian descent Muslims. Those 200 networks had produced 30 or so plots, which she characterized as having met the threshold of being a serious danger to the United Kingdom.

She added at the extreme end of this spectrum, "are resilient networks directed from al-Qa'ida in Pakistan. These plots often have links back to al-Qa'ida in Pakistan and through those links, Al-Qa'ida gives guidance and training to its largely British foot soldiers on an extensive and growing

scale." She concluded with this warning, "The Al-Qa`ida threat is serious, is growing, and will, I believe, be with us for a generation."

Of course, the most notable success of these Al-Qa`ida operations was the July 7, 2005 attack on the London Underground System. In the wake of the attack, Al-Qa`ida has put out two videotapes starring Ayman Zawahiri in which he is shown two of the monitored videos of the four operatives who carried out the attack.

But by far, the most important operation Al-Qa`ida has planned using this network was the operation foiled last August to destroy in air 10 Transatlantic commercial airliners on route from the US to the UK, a plot almost certainly timed to have occurred last year on the sixth anniversary of September 11 and which even if partially successful would have had a devastating impact.

We know that the explosive device the terrorists had would have worked. It's been tested

both in the UK and the US, and that's why you can't carry anything on airplanes anymore. And we know that there were 20 committed martyrs ready to carry out the operation.

Al-Qa'ida has also been linked indirectly to other operations in Europe, but the extent of those linkages are much less clear than the UK connection. For example, the Madrid operation on March 11, 2004, attack against the Madrid Subway, has generally been regarded as a copycat operation by a splinter group. That said, some usually well connected sources in the *jihadist* movement claim that it was in fact an Al-Qa'ida operation. And last year, Zawahiri included it in the list of what he called successful raids.

Now, it is also true that Pakistan has been the scene of some of the most successful manhunts of mid-level al-Qa'ida officials, including of course, Khaled Sheikh Mohammed. But what is important about those arrests is that none of them have significantly disrupted Al-Qa'ida 's activities and none has lead to

the capture of the senior leadership.

There is no question that President Musharaff, especially after the second assassination attempt on his life by Al-Qa'ida does take the threat seriously. But there is also no question that Pakistan continues to tolerate those who harbor Bin Laden and his lieutenants in Pakistan, that is the Taliban, their Afghan fellow travelers, and the Kashmiri terrorist infrastructure that is intimately connected with it.

In addition to resuming operational activity through the networks I've described, after the fall of Kandahar, Bin Laden and Zawahiri also issued highly publicized calls for the overthrow of the regimes in Riyadh and in Cairo. In February 2003, Bin Laden wrote a very important sermon entitled "The Band of Knights", a reference to the concept of Al-Qa'ida as a small leadership cadre of willing martyrs, who will, by their actions, encourage the Muslim masses to rise up.

In this sermon, "The Band of Knights", Bin Laden said, "Now is the time for us to move against the

(off mike) of Riyadh, Kuwait, Bahrain, and Qatar and to overthrow the Arabian Peninsula regimes." In a follow on message in December of 2004, he was more specific and called for his cadres in Saudi Arabia to kill Crowned Prince Abdullah, Defense Minister Sultan, Interior Minister Nayef, and Prince Bandar, then Saudi Ambassador to the United States.

In these messages, he very specifically called upon Al-Qa`ida cells in the kingdom to attack not just the royal family and Western interests, but to particularly target the oil sector to drive up the cost of oil on the global market. These public messages were accompanied by clandestine messages to cells in Saudi Arabia from Bin Laden with much more specific instructions.

The result was the most serious and sustained domestic violence inside Saudi Arabia since the creation of the kingdom at the start of the 20th century. The Al-Qa`ida apparatus in the kingdom, previously quiescent, exploded into action. From May

2003 until 2006, Al-Qa`ida undertook a series of highly publicized operations inside the kingdom.

Ironically, this offensive coincided with the withdrawal of American military forces from the kingdom, particularly from the Prince Sultan Airbase. The departure of the Americans had never been Bin Laden's principal goal, despite much being written in the West that it was. And their departure in no way slowed down his resolve to go after his main objective, the House of Saud.

Al-Qa`ida 's targets are well known. They include Western firms like Vinnell, individual westerners, Arab housing compounds, the Ministry of Interior, an attack on the United States consulate in Jeddah , and in February 2006, an attack on the Abqaiq oil processing facility in the eastern province, the strategic goldmine of the Saudi petroleum system.

But as fierce as these attacks were, the Saudi Mukhabarat fought back even more fiercely and in the end, more effectively. By the end of 2006, they

had killed or captured the bulk of the leadership of Al-Qa'ida in the Kingdom. According to Saudi sources, they foiled more than 25 major planned attacks. By the end of 2006, the backbone of the Al-Qa'ida movement in the Kingdom appeared to be broken, but we'll continue to watch this space.

The Al-Qa'ida offensive in Egypt fared even less well. Ayman Zawahiri preached a whole series of videotapes calling for the overthrow of the Mubarak government, and violence did result. Hotel and tourists sites frequented by Israelis and Westerners in the Sinai were struck in October 2004 and July 2005.

The July 2005 attacks were particularly violent and destructive, but the attacks never spread outside of the Sinai. For all of their efforts, Al-Qa'ida was not able to conduct a single significant act of violence in Cairo or the Nile Delta. And since 2005, Al-Qa'ida and Egypt has been largely quiescent; although at the very end of last year, Zawahiri announced very triumphantly in an audio message that

Al-Qa'ida had recently been joined in Egypt by a new group lead by the brother of Khaled Ahmed Islambuli, who you will remember was the assassin of Anwar Sadat.

The bottom line is that when Al-Qa'ida went up against the authoritarian regimes of the region it failed completely. In both cases, the Saudi and Egyptian governments were able to withstand the offensive and survive intact. This is not to suggest that there won't be more violence; I'm sure there will be. But what it is to suggest is that the authoritarian regimes are really quite capable of handling the Al-Qa'ida threat.

But even as Al-Qa'ida failed in the Kingdom and in Egypt, it of course found pay dirt in Iraq. I want to be clear. Before September 11, as the 9/11 Commission Report has laid out, there was no Al-Qa'ida presence in Iraq and no evidence of an operational link between Al-Qa'ida and the Iraqi Government.

Even the famous report of a meeting between Mohammed Atta, a leader of the Hamburg Cell and an

Iraqi intelligence officer in Prague has now been thoroughly discredited and the Czechs have agreed to a case of mistaken identity. Only perhaps in the office of the Vice President do people still believe this report.

But after the fall of Kandahar, Al-Qa'ida swiftly moved to build a capability in Iraq. As early as 11 February, 2003, Bin Laden sent a letter to the Iraqi people which was broadcast on Al-Jazeera warning them that they should "prepare for the crusader war to occupy one of Islam's former capitols, loot Muslim riches, and install a stooge regime to follow its masters in Washington and Tel Aviv to pave the way for the establishment of greater Israeli."

He advised the Iraqi people to be prepared for urban warfare and to emphasize the importance of martyrdom operations. He even urged collaboration with the Ba'thist socialist infidels in a convergence of interest against the crusaders.

This message, five weeks before the invasion,

was accompanied by much more active measures. Thousands of Arab volunteers went into Iraq in the run out to the invasion. A good percentage of them were inspired by Bin Laden's words. Most importantly, however, one of Bin Laden's long time associates known by his nom de guerre, Abu Musab Zarqawi, moved into Iraq sometime in 2002.

Zarqawi was a very shadowy figure before 2002. He appears to be a confederate of Al-Qa'ida but not a member of Al-Qa'ida. He was clearly a partner in Al-Qa'ida 's millennium plot in December 2000 to blow up the Radisson Hotel in Amman, a role for which he was indicted in Jordan. And he subsequently fled to Herat in Afghanistan.

After the coalition overran Afghanistan, he moved to Iraq probably via Iran. In 2002, he created an infrastructure in Iraq to prepare for the arrival of the Americans. That infrastructure was ready to operate after the American invasion. And Zarqawi had a brilliant, if evil, strategy. He pursued two related

prongs.

First was to isolate the Americans in Iraq by driving out all other foreign forces. This was done with a series of systematic terrorist attacks against all non-American targets in Iraq beginning with the bombing of the UN Headquarters and following with the bombing of the Jordanian Embassy, and then attacks against other Arab diplomats in the city.

Second and much more importantly, Zarqawi went right after the fault line of Iraqi political society, the Shiaa Sunni divide. He labeled the Shiaa traitors, collaborators, and infidels, and he went after them with a series of horrific terrorist attacks with the goal, self-proclaimed goal of creating a civil war.

The first attack occurred in the early summer of 2003, a successful operation that killed the senior leader of the Supreme Council of the Islamic revolution in Iraq, Ayatollah Hakim. This was followed with attacks on Shiaa shrines in Najaf and Baghdad in March

2004 and in Najaf and Karbala in December of 2004. This culminated in the now famous attack on the Samara Shrine in February 2006 and has continued with a series of attacks ever since then.

There was descent within the Al-Qa'ida movement about attacking Shiaa in this way. We know that Zawahiri even sent a letter to Zarqawi asking him if this was really the right strategy. But in the end, the Al-Qa'ida leadership deferred to its commander on the ground and let their generals decide the best way to proceed. And Zarqawi continued to follow his policy of attacking the Shi'ah relentlessly.

By late 2004, whatever doubts the Al-Qa'ida leadership in Pakistan had about the strategy had been thrown away and Zarqawi was formerly proclaimed the Prince of Al-Qa'ida in Iraq, and he publicly proclaimed his allegiance to Bin Laden. The apparatus Zarqawi so carefully built survived his death in the summer of 2006, and it continued his strategy, most notably, by orchestrating, as I said, the Thanksgiving

Day Massacres in Baghdad last year.

Most recently, it has taken another step towards civil war. It has proclaimed the establishment of an Islamic state in Iraq in the Sunni areas of Anbar, Baghdad, and Mosul. This state is the first actual succession from Iraq by one of its constituent groups.

Indeed, there is increasing evidence that Al-Qa'ida in Iraq is looking beyond the American occupation, which it anticipates will not last much longer to the day after. In a truly remarkable statement on 10 November, Zargawi's successor, Abu Hamza al-Muhajer, also known as (off mike), thanked President Bush for sending the American Army to Iraq where Al-Qa'ida could capitalize on the great historic opportunity to engage the Americans in direct fighting.

For this, he labeled President Bush "the most stupid and ominous president in American history", but he also warned that the invasion had revived the glory

of the old Persian Safavid Empire in a very short period of time, and that the Sunni community of Iraq was in danger of being overrun by Shi'ah and Persians alike.

Two other quick notes about Zarqawi. Like his mentors, he also sought to overthrow his home regime. And in a series of operations in 2004 and 2005, Al-Qa'ida tried to strike against the Hashemites in Amman. In 2004, they came close to a major success when they smuggled over 21 tons of chemical explosives into the kingdom, the target of which was going to be the headquarters of the general intelligence directorate. The GID was able to foil the plot before it went off.

Al-Qa'ida in Iraq was responsible for the attack on three Amman hotels later in the year including the Radisson, a target five years earlier. But just like Saudi Arabia and Egypt, the authoritarian regime in Jordan was able to throw back the Al-Qa'ida assault. Again, the traditional Arab regime proved to

be stronger than Al-Qa`ida .

Secondly and more successfully, Zarqawi built an enormous infrastructure of support throughout the Arab world and in Muslim communities in Europe to provide foot soldiers for the war in Iraq. Dozens, hundreds of foreign fighters were brought into Iraq by his movement in order to carry out suicide operations. Saudis were probably the most numerous in this, but those in Europe were clearly a large percentage as well.

The bottom line is that by the end of 2006, if not earlier, Al-Qa`ida 's Iraq apparatus has developed as a second Al-Qa`ida center in partnership with the old leadership in Pakistan but able to operate independently of its father apparatus, giving Al-Qa`ida for the first time a base of operations in the very heart of the Arab world.

Where is Al-Qa`ida going? Given its current trajectory, Al-Qa`ida is well placed to continue to threaten global security for the foreseeable future.

It survived the post 9/11 assault by the US. Its leadership remains intact at the top. It has retained a base of operations in South Asia and developed one in the Middle East, as well as expanding its operational capabilities in Europe. It has been proven to survive the loss of key lieutenants like Khaled Sheikh Mohammed and Abu Musab Zarqawi.

Its confidence is increasingly high and is reflected in its rhetoric. The new proclaimed Islamic state of Iraq now says, "The waves of the fierce crusader campaign against the Islamic world have been broken on the rock of the *mujahidin*."

The bottom line is five years after 9/11, we are still a threat from Al-Qa'ida. Al-Qa'ida in particular will continue to thrive on failed or failing states like Afghanistan and Iraq.

It's worth taking a moment to look at what next failing state might become an Al-Qa'ida base of operations. Everyone can have their own potential candidates. Let me give you my top three. At the top,

Lebanon, a country with the long history of extremist *salafist jihadist* activity, where the country's second largest city was largely in the hands of Sunni fundamentalist groups during much of the 1980's, and which there is a deep reservoir of potential recruits.

My colleague, Bilal Saab, has already been doing a lot of research on this, and he warns that this old-new Al-Qa'ida in Lebanon menace could prove to be a direct threat to UNIFIL .

Gaza is another prime target. Already there is significant evidence of the development with small Al-Qa'ida apparatus in the Gaza strip operating in the Netherworld between Hamas and Fatah. Should Gaza deteriorate further into a failing state, Al-Qa'ida will be able to operate more and more effectively there.

Bangladesh is a third and very serious possibility. A country in the midst of a political meltdown, it has a long history of Jihadist activity.

And a Bangladeshi Jihadist group was one of the original signatures of Bin Laden's 1998 declaration of war on America.

Somalia is a fourth case. It may no longer look to be an Al-Qa'ida victory in the wake of the Ethiopian offensive, but I think it's too soon to say.

The challenge of defeating Al-Qa'ida today, thus is more complex than it was in 2001. Six years ago, this was a relatively united movement. Today, it is more diffuse, and its sub-components operate more independently of the core than they did before.

It is a harder target in many ways to go after. The United States and the West, therefore, need a grand strategy for defeating Al-Qa'ida . The past five years have demonstrated graphically that a primarily military strategy will not work. Upon the contrary, the occupation of two Muslim countries has unwittingly played into the propaganda hand of Al-Qa'ida and the Jihadist movement, validating their argument that the US wants to control the Muslim world

to exploit its resources and to strengthen Israel.

A new Al-Qa'ida grand strategy to defeat the movement must integrate much more effectively all elements of both national and homeland security. Intelligence collection and analysis needs to be more sharply focused; diplomacy needs to be harnessed more effectively.

The target of our strategy needs to be the Al-Qa'ida leadership. That the leaders of the movement remain alive and well is a symbol of American failure in the eyes of *jihadists* around the world. They symbolize the successive resistance in the face of American activities. It is not good enough to have them "on the run" or hiding in a cave. If anything, that is an acknowledgment of failure and a recipe for defeat.

I'm not suggesting that Osama bin Laden's death will destroy the Al-Qa'ida movement. What I am suggesting is it would deal a significant blow. And

what I am saying very clearly is this continued survival says everyday to the Jihadist movement that we can win.

The first critical step is to enhance our commitment in Afghanistan. 2007 will be the pivotal year for the war in Afghanistan. To defeat the resurgent Taliban will require a significant increase in American and NATO forces. The 22,000 men surging to Iraq, I would suggest are going to the wrong battlefield.

Not only do we need more Americans on the ground, we need more NATO forces. NATO should also encourage its partners in the NATO Mediterranean dialogue, Egypt, Jordan, Tunisia, Algeria, and Morocco to send forces of their own, as they have sent forces in the past to other NATO operations. Muslim troops on the ground in Algeria would be a force multiplier of considerable importance.

NATO should also create with American leadership a contact group lead by a senior NATO

diplomat to engage with all of Afghanistan's neighbors on means to stabilize its borders. This includes meeting directly with the Iranians, who have been generally a positive force in Afghanistan, whatever they have been in Iraq.

NATO should also reach out to India, which has a significant stake in the success of stabilization and which has been the largest non-Western aid donor to the Karzai Government since 2001.

Beyond a military and security buildup, the United States should also take the lead on a major economic reconstruction program. Compared to the level of assistance provided to countries like Bosnia and Kosovo since the beginning of the decade, aid levels to Afghanistan on a per capita basis are almost embarrassingly marginal.

The United States and its partners, including NATO, should also take a much firmer line with Pakistan. President Musharaff, as I said, has taken some steps, but he needs to take much more. It is not

enough to apprehend a few Al-Qa'ida operatives. We need a systematic crackdown on all terrorists, Arabs, Afghans, Kashmiris, all of them.

Pakistan should not be rewarded for selective counter terrorism. It needs to be rewarded for a complete commitment to the war against terror. The new Congress, I think, is already in the process of starting to do this. The Congress should also press the administration to ensure that Pakistan has free and fair parliamentary elections later this year. If it makes sense to bring democracy to Afghanistan, then surely it makes sense to bring democracy to Pakistan.

Most importantly, though, there is a solid reason for doing so. As long as the Pakistani Army and intelligence services remain in control of the government, they will keep the nexus of terrorism between them and terrorist organizations. It is the army and ISI that have created and tolerated and sponsored terrorism for the last two decades. Sending them back to their barracks is a critical step towards

ending that nexus.

Iraq obviously is a second critical battlefield, but I think that it is time that we recognize that Iraq is more of a trap than an opportunity. Our enemy, Al-Qa'ida , wants us to be bogged down in the quagmire in Iraq. I suspect our other enemy, Iran, also wants us to be bogged down there.

It is time to stop reinforcing failure and disengage from the Iraq civil war before it becomes a catastrophe. An orderly and phased troop withdrawal should be conducted within the next year.

Clearly, Al-Qa'ida will claim victory when that happens. But as I've already demonstrated to you, it is already claiming victory in Iraq. It is to me highly unlikely that the Islamic state of Iraq will fair very well once American forces are gone. It has a plethora of enemies who are eager to hunt it down inside Iraq. Anbar Province, while it may be very difficult to control, has no natural resources, no

outlet to the sea, and no means of transportation to the rest of the world.

Al-Qa'ida 's own propaganda demonstrates that it is worried about what will happen to its emirate once the Americans go. I suspect it will be a messy and ugly aftermath, but I do not believe that Al-Qa'ida in the long term will be able to sustain a presence in the face of so many regional enemies.

Above all, the West needs a much more effective narrative to win the war of ideas with Al-Qa'ida . Simply calling for democracy has failed and not resonated. Our actions have not matched our rhetoric. Abu Ghraib and Guantanamo Bay have sullied our reputation, and Iraq is not a model anyone in the world would want to emulate.

We need now to get back to the business of supporting broader dialogues in the Middle East, not least on the Arab Israeli conflict, but also on the Kashmir conflict. The Kashmir conflict is particularly important, because the Kashmir conflict is the impetus

for Pakistan's role in terrorism. A move to do something on Kashmir would do more than anything else to undercut the operational base of Al-Qa'ida in Pakistan.

Let me conclude with this. It's very fashionable these days to say that the struggle with Al-Qa'ida is the long war. It does not need to be the long war. It could be done with some key decisive actions. A focused strategy can, I believe, destroy the Al-Qa'ida movement. We have successfully destroyed other terrorist movements in the past. But failure to do so will risk another raid on the American homeland.

For the last several years, Al-Qa'ida's priority has not been to repeat September 11. That is our impression of their strategy. It is clear from their own statements that it's not theirs. Their priority for the last several years have been to fight the wars in Afghanistan in Iraq and bleed the United States.

But over time, striking the homeland will again become a major priority for Al-Qa`ida . Should Al-Qa`ida survive longer, sooner or later, it will strike again. Thank you.

MR. INDYK: Thank you, Bruce. I want to start by getting you to come back to the point you made about the way that Zarqawi exploited the Sunni Shiaa fault line in Iraq through Al-Qa`ida 's advantage. Do you have a sense of how Al-Qa`ida , now that Zarqawi is gone and the sectarian warfare has become civil war and developed into a much larger fault line across the region, how Al-Qa`ida is thinking about that now?

Because in a situation where we've got Sunnis versus Shi'ah across the region, Al-Qa`ida is across Sunni first and yet, as you say, they've been attacking Sunni regimes. Is there any indication given the failures that they've had in Africa that they would be looking to a different kind of relationship with Sunni regimes now interested in countering the Shi'ah?

Is the Pakistani government's relationship

with Al-Qa'ida a potential example of that? Do we see in Lebanon, for example, Sunni moderates, Sunni parties looking to link up with these Sunni extremists that you're concerned about that will become an Al-Qa'ida base there?

Can you give us just a sense of what the discussion is and whether there's a likely realignment or change in priorities for them?

MR. RIEDEL: Sure. Zarqawi won the debate. There was an active debate in 2003-2004 about the strategy. And I think in the end, as I said, Bin Laden decided that his man on the ground should be given room to decide how to operate. And in retrospect, it's not that surprising because one of the things the Taliban did when they were in Afghanistan was sponsor extreme anti-Shi'ah operations.

So this extreme Sunni chauvinism on behalf of the organization is not really that surprising. After all, the fundamental underlying ideology of the organization is that only Jihadists are true Muslims.

All these others, the rulers of the Sunni kingdoms and republics are apostates. They're false Muslims, and therefore, they are legitimate targets for Jihadist violence. That lies at the heart of the Al-Qa'ida philosophy.

That said, there's no reason to believe that Al-Qa'ida would not make tactical alliances with more moderate Sunni political groups if those serviced its political interests. After all, it was willing to make tactical alliances with the Ba'thists in Iraq, who are clearly, in the line of Al-Qa'ida ideology, infidels and apostates but useful ones for the purpose of fighting the Americans. So I could see limited tactical cooperation.

The relationship in Pakistan becomes much more complex because the Sunni Islamist groups that it has affiliated with are largely Kashmiri groups who have stayed out of the Sunni-Shi'ah conflict that is a separate show in Pakistan. Al-Qa'ida, as far as I know, has no connection to anti-Shi'ah operations in

Pakistan over the last decade or so. I would suspect that Al-Qa'ida in Pakistan will continue to be very careful about not spoiling its base of operations and will continue to adhere to following the lines of Kashmiri groups, Taliban, and the other African groups that are aligned with it and try to stay out of any domestic Pakistani violence if it can.

MR. INDYK: What about the other way around?

We've had a Saudi government worked with Al-Qa'ida in the past or tolerated it. I mean you say tolerate; I say worked with. Is it possible that they, out of fear of this sheer push for hegemony would seek to improve their relationship with Osama Bin Laden?

MR. RIEDEL: Well, if you believe some of the noise coming out of Riyadh, most notably in the Washington Post earlier this year, the Saudi government is prepared to come to the defense of the Sunnis in Anbar Province. In effect, that would mean the Saudi kingdom would come to the defense of the Islamic state of Iraq.

As a long time student of the Saudi military, however, I find this idea to be far fetched. Notwithstanding the tens of billions of dollars of equipment we and the UK have given them over the years, the notion of Saudi armored divisions moving into Anbar Province is to me unbelievable.

They may provide money. They may provide volunteers. But Al-Qa`ida already has all the money and volunteers it needs. So, I think that that Saudi threat is a hollow one.

MR. INDYK: Okay, Thank you. Well, let's take three together and then we'll get you to respond. David Mack , first.

MR. MACK: Bruce, I rather suspect you don't hold with the extent of allegations that are made about cooperation between the government in Tehran or revolutionary guards in Iran and Al-Qa`ida .

But, could you give us your assessment of the degree of any cooperation that does exist, even if it's perhaps less than the allegations that are floated

around?

MR. INDYK: Thanks, David.

Yes, please.

SPEAKER: Yeah, Bruce. One of the subjects in your comment about the role of congress in shaping policy, as you know the 9/11 Bill that passed the House includes what I think many people would consider a punitive measure. It threatens a cutoff of security assistance to Pakistan unless the President can certify that Pakistan is making all possible efforts to defeat Taliban terrorists.

How do you think that's going to be viewed in Pakistan? What's the appropriateness of that kind of approach, especially since President Musharaff has been criticized in his own country for cooperating with the Americans?

MR. INDYK: Thank you.

Yes, please.

SPEAKER: Also, on Pakistan, can you talk a bit about Al-Qa'ida 's relationship to the tribal

groups in the Waziristan? You indicated that Al-Qa'ida is quite careful not to undermine its base in Waziristan in both north and south.

On the other hand, they have moved very aggressively to take on the tribal leaders, rather brutally assassinated many of them and have been both under harsh rule, it seems to me that there lies a great danger, both for them and for the new Taliban in undermining their base their.

MR. RIEDEL: Iran is a good question. Yes, I don't think occasional allegations of a relationship between IRGC elements and Al-Qa'ida , as far as I know, have no real substance to them. It is a more sophisticated relationship.

In addition to the bulk of the Al-Qa'ida leadership that fled into the Pakistan Afghan Badlands, as I call them, a smaller group seems to have fled into Iran, where they have been under some kind of incarceration. And it's very unclear what that means. It could be house arrest; it could be village arrest.

It may sometimes be much more brutal treatment.

Among the number of people who are there are some of Bin Laden's family members. There's lots of dispute over who and how important they are to him, but there are clearly some there. I think Al-Qa'ida is careful in its rhetoric and its actions not to jeopardize that group. So you may have attacks on Shi'ah in Iraq, but we've yet to see any operational activity against an Iranian interest.

And if you think of it logically, that doesn't make sense. Because after all, if we're worried about the revival of the Safavid Empire, shouldn't we go after the source of the Safavid Empire?

But I think that the concern about a small cadre there is important.

With regards to Pakistan and Congress, Mark, the Congress should not repeat the mistakes of the past. Sanctioning Pakistan with legislation that cuts off our leverage has a proven track record of failure.

By 2001, Pakistan was perhaps the most sanctioned country in the world. We sanctioned them for terrorism. We sanctioned them for human rights. We sanctioned them for religious liberty. We sanctioned them for non-proliferation. We sanctioned them for not being nice to our diplomats. And it didn't work; it was a complete failure.

The Congress needs to proceed with much more delicacy and sophistication, try to use the extensive new aid relationship to encourage Pakistani performance. I don't think it's impossible. I think President Musharaff, despite his vanity, can be appealed to on the basis of his vanity to move the country in the right direction. He's gradually, but haltingly done it for five years. It's time to continue that process along, and see if we can't move him further. Maybe another book contract would be a good idea.

On Vanda's(?) question, there's a phenomenon going on in the tribal areas, which is very consistent

with the phenomenon that went on with Afghanistan in previous years, which is that the old tribal leadership is being pushed to the side by the new Taliban-like, more Jihadist elements.

The old tribal leadership is less and less capable of delivering on the goods for the tribe. And their aspirations are higher than they used to be. And frankly, they're not as thuggish as the Taliban Al-Qa'ida movements.

In the end, you may be right that it will be one tribal elder or another who's been dealt with the wrong way that provides the magical intelligence bullet that allows us to get Bin Laden. But right now, it seems to be that the trend is working in the opposite direction.

MR. INDYK: Thank you.

Yes, Jim.

SPEAKER: Just to get back to your take on Iran's relations with Al-Qa'ida for a second. It was reported I think the Post citing unnamed intelligence

sources that before the May 12, 2003 bombing, there was a phone call from Iran to an Al-Qa'ida cell. It's not clear to - you know, I'm not sure if this has even been verified, but I would like to get your take on this.

Is this evidence that Iran is not quite as determined to keep these people under house arrest, maybe perhaps doing the same thing the Taliban did when it claimed they were under house arrest?

And secondly, would this be one reason there was a relatively public dispute between Al-Qa'ida central and Zargawi on the Shiaa strategy? Wouldn't that have given Iran leverage over Bin Laden?

There was some reports that one of his sons was there, like Assad. It's not clear to me that he - and then there were other reports that he was released.

I don't know if you heard those. What's your take on those?

MR. INDYK: Stephano?

SPEAKER: Well, we've heard already a number of times that there's Al-Qa'ida cells, especially in

northern Lebanon, and that might actually be the major threat at this point in time, the major threat to UNIFIL.

But who would be Al-Qa`ida 's allies in especially like Lebanon, where at the moment at least the Sunnis - most Sunnis support the senior government and the rift is rather between the Sunnis and Hizballah.

MR. RIEDEL: In Iran, as I've said, we know there is an Al-Qa`ida presence. And I refer to what kind of arrest are they under. Is it house arrest? Is it village arrest? It appears to be fluctuating.

When the Iranians want to send a message to Al-Qa`ida , they tighten the network. But the relationship does not preclude, it appears Al-Qa`ida activists in Iran form some levels of operational activity.

Most importantly, how do messages, how does traffic go from the Badlands of Pakistan to the Badlands of Iraq? Well, you don't have to be a

geographer to realize they must be moving through Iran.

And it's clear that there are messengers who move back and forth.

The famous Zawahiri memo to Zarqawi saying are you really sure this is the right way to go, transited - almost certainly came to Iran to get to him, which doesn't necessarily mean that the Iranians collaborate in that. It would be very hard to find the one Al-Qa'ida messenger in the thousands of people who go back and forth in that area all the time. And careful work would allow you to hide most of them.

That's the most likely outcome. I will say though that among some Al-Qa'ida watchers, not so much in the US, but in the Arab world, laid out a more ominous interpretation, which is that Al-Qa'ida at some point wants to be perceived to be operating in Iran to add one more reason for an American invasion of Iran.

And there have been Jihadist websites that have said the logical thing for us to do now, when

we've got them bleeding in Iraq and Afghanistan, is to get them to invade Iran, and then we can bleed even more of them on a more massive scale. And if the Shiaa will help us do the bleeding, all the better - again, a tactical alliance.

Whether there is any seriousness to this kind of chatter is hard to say. As far as I can tell, there is no seriousness to it at this point. It's something that would be wise to keep an eye on.

In Lebanon, I think it's a mistake to think of all Sunnis being in one camp and all Shi'ah in another. Perhaps all Shi'ah are in one camp, but all Sunnis are not in one camp. And there are significant parts of the Sunni community which are not at all comfortable with the Hariri approach, which is being perceived as part of an alliance with Christians and Jews and an alliance with the United States against Arab interests.

And there are small but significant Sunni Islamist groups, particularly in Tripoli but also in

the South that are much more likely to want to go a third way, which is to not focus on the divide between the government and the Hizballah opposition, but focus on attacking the crusader presence in their country, the UNIFIL forces in the South. Because the UNIFIL forces from a Jihadist standpoint are just one more western occupation crusader army trying to take part of the Muslim world away from them.

SPEAKER: There's one quite significant Arab country which hasn't been mentioned until now, Syria. How does Syria play in this, especially with regard to Lebanon?

MR. RIEDEL: Yes. That's a good question. The Zarqawi network, which I mentioned is a pipeline to bring people in and out of the country, runs through Syria. The strategic nexus of that pipeline by many accounts is the city of Aleppo. Syrian authorities have clearly tolerated that pipeline operating for the last five or six years. Occasionally they squeeze it a little bit but not very much. The flow of foreign

fighters through Syria has gone on with very little interruption over five years.

At the same time, though, the Syrians are acutely aware that Al-Qa'ida regards the Ba'thist Asad government in Damascus to be just one more apostate regime that someday will need to be dealt with, but I think the key for Al-Qa'ida is some day. For now, if they're willing to tolerate our activity and our pipeline, that's fine. We'll continue to let them do that.

The Assad government from time to time announces that it has foiled Sunni Jihadist plots in the country. I suspect some of those foiled plots are real. I also suspect that some of them are very convenient to be able to say oh, today we captured four Sunni terrorists planning an attack against us. Unfortunately, in the firefight, all the them were killed and are therefore unavailable for interrogation.

I think the Syrians are playing a very typical game of trying to play all parts against each other.

MR. INDYK: Let's have just one last round of questions.

Gary?

MR. MITCHELL: Bruce, I want to come back to one of the key steps that you talked about, which is that systematic withdrawal of troops from Iraq - getting out of there.

As far as I can tell, to the extent that there is an argument for the surge and remaining, et cetera, it is predominant - leaving aside the sort of - the notion that that's the only way you can get a political settlement - that the real notion is if we pull out with whatever speed and with whatever strategy, the thing we need to be worried most about is the sort of spillover notion that I know Ken Pollack and I think Dan Byman are working on.

And I'm interested in knowing the following about that: a) what is your view of whether - of what the likelihood and the intensity of that is; and I want to say that I wonder is this the sort of - does this

begin to look a lot like the way we were talking about WMDs on the front-end, that the reason to go in was because of WMDs, and now the reason to stay in is because of spillover.

And in particular, what I'm interested in knowing is whether you think - what you think of that notion and what role, if any, Al-Qa'ida would play in it given what you said they've already done inside Iraq.

SPEAKER: Let me piggyback on that one also.

Just one of you had said that maybe it would not be such a great win for Al-Qa'ida if we left Iraq, even precipitously, because they would have no real chance of setting up a Sunni Jihadist kingdom in the whole of the country.

Couldn't it sort of be the same scenario that they wound up having in Afghanistan after the Soviets left in Anbar Province, that they have a haven; they can plot; they have bragging rights? They can say they're now 2 and 0 against superpowers and that that

would suit them find as a strategic victory. They would also be glad to become the new [word indistinct] and Caliphate, but this would still be a step forward for them.

SPEAKER: Just to follow up on your statement about Syria and the nexus that you say exists in Aleppo to funnel Al-Qa'ida types into Iraq. A few years ago after I left the foreign service, Bashar actually said to me when I suggested that he needed to do more on the border and you know, we needed to cooperate on stopping the flow, he said well, actually, there are networks. It's almost like a business. There are networks set up. So, he acknowledged there were networks.

Now, you know, it may be quite disingenuous. He may have known where they were. He said we need to work together as we worked together before to identify them and eliminate them, suggesting that for the right price, he was available to work against Al-Qa'ida once again.

Also, the Syrians did help the Lebanese

government suppress Islamist movements in Lebanon, including Dinniyeh , as you know, where they killed Christian army officers.

MR. RIEDEL: Let me start with Ted's question about the Syrians. There's no question the Syrian regime sees Islamic Sunni *jihadism* as the number one domestic threat to its survival. And I'm sure Bashar has not forgotten Hamah anymore than the Sunnis have forgotten Hamah. But he seems to be, as your conversation with him suggests, playing a very delicate game.

I think his description is right. There probably are business networks. You pay money and in return, you get to stay in Aleppo for a few days, no questions asked. You pay a little bit more money, and you cross the border into Iraq, where someone is ready to get you.

The right price is of course the 64 million dollar question. I would argue that that's where the Iraq Study Group had a very good point. We ought to at

least talk about what the price is in the market. We may not like the price. We may say we're not going to pay it. But, I think talking to the Syrians - normal diplomacy makes sense in this case as it does in most cases, maybe not.

Iraq is the much harder question. I don't mean to be and I don't intend to portray a hopeful picture. When we leave Iraq, it will be a catastrophe.

It will be a disaster. Can I say it any more strongly? But, it's a matter of time now. Are we going to leave a catastrophe in Iraq a year from now, two years from now, or now?

The spillover is well underway. We have hundreds of thousands of refugees leaving, the best and the brightest of Iraqi society. We already have, as I suggested, from the Anbar state efforts by Al-Qa'ida to export terrorism to Jordan, to Saudi Arabia, so far, completely unsuccessfully.

It will be a very, very bleak picture, and the potential for decline into regional war is a

serious one. But, I think if you look hard at the different aspects of that, there are some reasons to say it is not going to be - it may not be the bleakest picture possible.

One is once Al-Qa`ida loses the American occupation as a rallying cry, it then has to work in Iraqi politics in a different kind of way. And as I said, there are a lot of people who have an interest in payback time. And their intelligence against Al-Qa`ida is going to be much more effective than American intelligence against American Al-Qa`ida .

And they're going to operate in a way that we don't operate. They're not going to necessarily go after Abu Musab; they may go after Abu Musab's entire family. And that's not an American intelligence approach, and I'm not advocating we adopt it as an American intelligence approach. It's a Middle Eastern intelligence approach. And, as the examples of Saudi Arabia, Egypt, and Jordan show, it works. It's not pretty, but it works.

Similarly, the notion of the neighbors intervening, well, why should the Iranians intervene? Their side is winning. Their side is not only winning now, but once we leave, their side will be even more dependent on Iran and more likely to be more dependent on the Iranian relationship.

I would expect that Iran's already enormous intelligence presence in Iraq would grow even bigger. You'd have more advisors. But I don't see the Iranian army seeing a need to cross the border.

The Saudis? In their dreams, but it's not for real. The Syrians? It would be very hard to understand why the Syrians would intervene, and I can't figure out whose side they would intervene on at this stage.

The Jordanians potentially could come in to protect Sunnis and to provide a source of mechanism for refugees to come out. But I don't think the king in his wildest dreams thinks that he can repeat 1940 and have the Arab legion go to Baghdad and put the

Hashemite Monarchy back together again. He knows the limits of his operations.

So, the most likely foreign power who might intervene in Iraq after we leave in a civil war situation is the Turks, who have every reason to want to suppress the transfer of the de jure, sorry, of the de facto Kurdish state of Iraq to a de jure state of Iraq, except when you really think about it.

While the Turkish general staff may have an interest in suppressing the state, do they have any interest in occupying northern Iraq and adding another five million Kurds to the problem of mountain Turks? Probably not.

I think when it comes to the hard moment of decision, Turkey will probably hold its nose and say okay, we'll live with the Kurdish state in Iraq. And someone will say to them, and you know what, we've done it for the last 15 years, so it won't be as bad as our worst nightmares.

So, I'm not minimizing how bad it will be by

any means. But I think some of the darkest projections are when you examine them carefully. Not likely to happen. In any case, you can ask Dan and Ken the same question in two weeks.

MR. INDYK: Bruce, thank you. You not only gave us a great analysis but also some very provocative prescriptions. And I think we've all benefited from your presentation today. So I want to thank you very much.

I think we'll post it up on the website if anybody wants to take a closer look at it and of course, we look forward to the larger work that you're doing on this. Thank you very much.

And thank you for coming.

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