

**HEARING TO RECEIVE TESTIMONY ON THE  
DEPARTMENT OF DEFENSE'S ROLE IN THE  
IMPLEMENTATION OF THE NATIONAL  
STRATEGY FOR COUNTERTERRORISM AND  
THE NATIONAL STRATEGY TO COMBAT  
TRANSNATIONAL ORGANIZED CRIME IN RE-  
VIEW OF THE DEFENSE AUTHORIZATION  
REQUEST FOR FISCAL YEAR 2013 AND THE  
FUTURE YEARS DEFENSE PROGRAM**

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**TUESDAY, MARCH 27, 2012**

U.S. SENATE,  
SUBCOMMITTEE ON EMERGING  
THREATS AND CAPABILITIES,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:40 p.m. in room SR-232A, Russell Senate Office Building, Senator Kay Hagan (chairman of the subcommittee) presiding.

Committee members present: Senators Hagan, Portman, and Inhofe.

Majority staff members present: William G.P. Monahan, counsel; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Michael J. Noblet, professional staff member; and Jessica L. Kingston, research assistant.

Minority staff member present: Adam J. Barker, professional staff member.

Staff assistant present: Kathleen A. Kulenkampff.

Committee members' assistants present: Anthony Lazarski, assistant to Senator Inhofe; and Brent Bombach, assistant to Senator Portman.

**OPENING STATEMENT OF SENATOR KAY HAGAN, CHAIRMAN**

Senator HAGAN. We will bring to order the Emerging Threats and Capabilities Subcommittee hearing today, and I just want to welcome all of our witnesses and Senator Portman.

And today in preparation for the subcommittee's upcoming work on the fiscal year 2013 NDAA, we will hear testimony from our witnesses on the Department of Defense's role in the implementation of the National Strategy for Counterterrorism and the Na-

tional Strategy to Combat Transnational Organized Crime, as well as the new defense strategic guidance and priorities.

I want to welcome the Assistant Secretary of Defense, Mike Sheehan, to the subcommittee for his first hearing since being confirmed by the full Senate in December, and welcome back to the subcommittee Deputy Assistant Secretaries of Defense Garry Reid and Will Wechsler. Thank you for being here.

Last June, President Obama released the new National Strategy for Counterterrorism. This strategy was release shortly after an inflection point for our Nation's counterterrorism operators with the successful mission against Osama bin Laden, preceding it by a month. While our Nation's counterterrorism efforts appropriately remain an interagency endeavor under the new strategy, the Department of Defense has and will continue to play a key role in building security partnerships that enable our foreign partners, as well as directly applying various counterterrorism tools and capabilities wherever appropriate.

In addition to the National counterterrorism strategy, in July of last year the President released our Nation's first National Strategy to Combat Transnational Organized Crime. Rightly, in my view, the strategy recognizes that transnational organized crime is a significant threat to national and international security. While combatting transnational organized crime is certainly not a core function of DOD, the Department does play a key role in supporting operations by both U.S. and foreign law enforcement agencies, and it does so by providing funding and unique enabling capabilities, conducting operations to detect and monitor illicit trafficking that may be destined for the United States, and, again, the building of relationships and the capacity of foreign militaries and law enforcement forces to carry out similar operations themselves.

More recently, the new defense strategic guidance and priorities further emphasizes the importance of capacity building and other theater security cooperation activities in support of the geographic combatant commanders, as well as the important role our special operation forces will play in the implementation of our Nation's engagement overseas. And we hope our witnesses will address their ongoing efforts to support the implementation of these new strategies and any legislative authorities or funding they may need to carry out adequately their assigned responsibilities under these strategies.

A number of authorities expire this year, including the Department's ability to support counterterrorism partners in Yemen and national contributing to international counterterrorism operations in Somalia. Another authority to provide a broad range of support to the Colombian security services is also set to expire at year's end. The subcommittee looks forward to discussing the Department's requirement requirements in these regions and elsewhere.

And in interest of ensuring that there's adequate time for questions, I'll insert the remainder of my opening statement into the record.

[The prepared statement of Senator Hagan follows:]

[SUBCOMMITTEE INSERT]

Senator HAGAN. And I will now turn to Senator Portman for any opening remarks. Senator Portman.

**STATEMENT OF SENATOR ROB PORTMAN**

Senator PORTMAN. Thank you, Madam Chairman, I welcome our distinguished witnesses here today, whose testimony today will help us to come up with a better National Defense Authorization Act for Fiscal Year 2013 because we're going to be relying on your testimony for dealing with counterterrorism and transnational criminal organizations.

Over the past several months, we've received testimony from a lot of folks, including regional combatant commanders, senior Defense Department officials, and others with regard to the President's budget request and its implications for the programs and activities within their respective areas of responsibility. And I think with this testimony we've already heard has made clear is that the threats facing our Nation remain significant. They're changing, but both in scale and complexity are still very real. And this is particularly true with regard to the threats that you are going to be tasked with addressing every day in your jobs and that you will talk about today. So, we appreciate your being here.

I think it is fair to say al Qaeda remains the top terrorist threat in the United States, and while its senior leadership has certainly suffered some losses because of the sustained counterterrorism operations over the years, I am sure you will tell us today that its regional affiliates, such as those in Yemen, Somalia, northwest Africa, are growing in capability, and we are seeing a resurgence of its franchise in Iraq unfortunately. But we look forward to hearing from that.

Closer to home, as Chair Hagan has just pointed out, the transnational organized crime issues continue to be a major problem for us. Those organized crime entities continue to erode our security and really our governance, and it is throughout our hemisphere, including our neighbor to the south, Mexico. And so, these criminal groups now command multibillion dollar global networks, and in many cases, I understand they are trained and certainly better equipped than the security forces that are trying to stop them. So, we look forward to hearing from you about that as well.

In addition to the myriad security threats facing our Nation that I have just mentioned, of course we find ourselves in the middle of a very difficult budget situation. You are being asked to find savings under the Budget Control Act of about \$487 billion over the next 10 years. That was step one, but looming on the horizon, of course, is the potential for huge additional reductions of nearly \$490 billion, so roughly the same amount under sequestration. That is current law. We have to assume it is going to occur, despite the fact that many of us believe that it would be devastating to the military. The Secretary of Defense has said that. He has also said it would be catastrophic to our military. He has also said it would hollow out our military. Those are pretty strong words. So, I look forward to the assessment of our witnesses today and what impact that second stage sequestration would have on your work and on the important missions that you are being asked to execute.

Additionally, these fiscal realities are important to talk about in the context of, you know, which programs you think are the highest priorities and which processes can be made more effective, more cost-effective, in particular, to meet our national security objectives.

So, it is what would the impact be, but also should we have additional reductions as is current law? You know, what would you do to prioritize?

So, these are all important topics, and, again, we look forward to having you provide us this information to help us sort of fill in some of the blanks and be able to talk about what I think is fair to say is one, if not the most important, national security concern that we face as a country.

Thank you, Madam Chair.

Senator HAGAN. Thank you, Senator Portman.

And, Secretary Sheehan, if you want to give your opening remarks, please.

**STATEMENT OF MICHAEL H. SHEEHAN, ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS/LOW-INTENSITY CONFLICT**

Mr. SHEEHAN. Thank you. Good afternoon, Chairman Hagan, Senator Portman, and members of the committee. Thank you for the invitation to testify this afternoon. As you mentioned, it is the first—my first opportunity as Assistant Secretary of Defense for Special Ops and Low-Intensity Conflict to appear before this committee.

Let me thank you for your support, your meaningful and consistent support, to SO/LIC and to Special Operations Command over the years past.

In recent, as you mentioned, the President has provided clear direction to the Department of Defense, including SO/LIC and SOCOM in the form of the National Strategy for Counterterrorism and the Strategy to Combat Transnational Organized Crime, both of which frame the Department of Defense role in defending our citizens and interests from these threats. As ASD SO/LIC, I am committed to leading and integrating the Department of Defense efforts to fully implement these two complementary and mutually reinforcing strategies.

Because terrorism, drug trafficking, and other forms of transnational organized crime are increasingly intertwined, SO/LIC is uniquely positioned to provide policy guidance and program oversight to DOD's counterterrorism and counter TOC activities.

I am pleased to have sitting beside me two of my deputies. On my right is Garry Reid, my life William Wechsler. Both of them bring unique perspective and considerable experience to these issues. They look forward to contributing to the discussion during the Q&A period.

Our perspective within SO/LIC is that by integrating counterterrorism, counternarcotics, and combatting transnational organized crime capabilities, resources, and authorities, the impact of our actions are more strategic, more effective, and better use of available resources.

Let me first provide you some of my perspectives on the National Strategy to Combat Transnational Organized Crime. As we look ahead to the next decade, the landscape is changing to some extent. We have ended our combat role in Iraq. In Afghanistan, we are transitioning increasingly the responsibility for security to the Afghanistan Government and their security forces. What will not

change, however, is our focus on aggressively deterring, disrupting, dismantling, and defeating al Qaeda and its associated forces and adherents around the world, while maintaining vigilance against other terrorist organizations that have threatened—that threaten or have potential to threaten the United States and our allies. But our focus will remain on al Qaeda, as you mentioned, Senator Portman.

Our national and theater SOF employ a combination of direct and indirect action to implement the strategy. While SOF's direct action capabilities are likely to garner the most attention—these are strikes against terrorist attacks—just as important, and perhaps more so in the future, are the special operations forces' effort to build the capability and capacity of our partners to shape the global information and ideas environment, as well as to train and equip the capacity of other countries. In this regard, Section 1208 and other priorities—other authorities are very important to our success. Those include counterterrorism, counternarcotics authorities of Sections 1004, 1033, 1021, and 1022 of the National Defense Authorization Act. These efforts often remain largely unnoticed, but have long-term strategic effects in counterterrorism as well.

In implementing the counterterrorism strategy, we will continue to focus on al Qaeda's activity originating from western Pakistan and the FATA. We have made great progress on this front, but al Qaeda is a highly adaptive organization. We must continue to work with Pakistan and address the threats emanating from this region.

Another important front against al Qaeda is on the Arabian Peninsula with—which poses a direct threat to our interests and interest of our partners. We have made numerous important gains over the last year against AQAP, but the group's capabilities and intent to conduct a terrorist attack in the United States continue to represent a serious threat. Department of Defense continues to collaborate extensively with the Yemeni forces on operational matters, and together we are closely monitoring AQAP and regularly improving our understanding of its external plots.

The last area of the counterterrorism that I would like to highlight for you today pertains to the global information environment. As I alluded to previously, we know that al Qaeda cannot be defeated by kinetic action alone. In order to counter the residents of al Qaeda's ideology, our approach must include a balance of capabilities implemented in close coordination with interagency, our allies, and local communities.

Recognizing the growing relationship among terrorists, insurgents, drug traffickers, and other criminals, last year the President issued his Strategy to Combat Transnational Organized Crime. This forward-looking strategy seeks to address emerging, rapidly-evolving type of threat to our national security: networks of adversaries that operate at the nexus of organized crime in the politically-inspired violence, the convergence of crime, terrorism, and insurgency, in my view, a burgeoning geopolitical trend with great implications to our national security. The Strategy to Combat Transnational Organized Crime recognizes that our traditional focus on countering drug trafficking organizations must be expanded to a wider perspective that acknowledges that narcotics

trafficking is just one component of the broader challenge of transnational organized crime.

Important initial steps in implementing this strategy have been recognized in a growing array of security challenges, global criminal networks pose, increasing the understanding of the implications of the nexus among criminals, terrorists, and insurgents developing policies and tools to degrade these threats.

The Department plays a largely supporting role to U.S. inter-agency efforts to combat transnational organized crime. In addition to DOD's support to State, local, and Federal law enforcement agencies, DOD is helping partner countries build capacity to address narcotics trafficking and related transnational organized crime within their borders. Critical to these efforts are the Department's counternarcotics authorities and budget, which have proven to be effective and flexible tools for confronting drug trafficking, including where drug trafficking is linked to other forms of organized crime.

Nowhere is the link between transnational organized crime, insurgency, and terrorism more apparent than in Afghanistan, where the Taliban continues to receive a large percent of its revenue through the heroin trade. Because of the convergence of these threats, our law enforcement partners, such as the Drug Enforcement Administration, are employing their expertise and authorities in support of Department of Defense objectives on the battlefield.

In addition to depriving the enemy of vital narcotics-related revenue, insurgents found to be involved in drug trafficking may be prosecuted under Afghan law and incarcerated, taking them off the battlefield and enhancing government institutions at the same time.

We know that in order to confront increasing network threats, we need to be increasingly networked as a government. Active threat networks will exploit the limitations the U.S. Government often faces because of separate agency authorities, budgets, and institutional cultures. The strategy to combat transnational organized crime is to call to action—is a call to action to leverage all the elements of national power to protect citizens and U.S. national security interests, and to enable our foreign partners to do the same.

In conclusion, both of these strategies seek to proactively deter and confront emerging threats for national security whether they are terrorists or criminals, or increasingly individuals at the nexus of what our too often conceptual stovepipes. To be effective on both fronts, we must continue to build cooperation across Defense Department and U.S. Government, while at the same time developing the capacities of like-minded foreign partners. As Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, I am committed to working with this committee to continue to build our counterterrorism and combatting transnational organized crime capabilities so that we are more effective in the decade ahead.

Thank you again, and I look forward to the opportunity for a frank dialogue and Q&A period.

[The prepared statement of Mr. Sheehan follows:]

Senator HAGAN. Thank you, Secretary Sheehan. And I understand that, Mr. Reid and Mr. Wechsler, you all have some short opening statements.

Mr. REID. Actually I do not. I can.

Senator HAGAN. Feel free to take two minutes.

Mr. REID. But I will otherwise.

Senator HAGAN. Feel free to take two minutes in an opening statement.

**STATEMENT OF GARRY REID, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND COMBATING TERRORISM**

Mr. REID. Thank you very much, Madam Chair, and Senator Portman for the opportunity to come back and talk to you again today. It has been just about a year since I came over with the other colleagues in the gap between Assistant Secretaries. Yes, ma'am. So, it is good to be back here again. We work closely with your staff regularly and appreciate the support and interaction.

We feel, as has been highlighted, that as much has been done in many years of war at great cost, that significant progress is being made in the counterterrorism/special operations area. And as you highlighted, Madam Chair, with the release of a new strategy and the process going forward, we are currently looking at how we bridge from past, present, into future, how that affects our special operations forces and our CT authorities, resources, and everything you highlighted.

So, I look forward to the opportunity to focus in on your specific questions in these areas and those portions of the portfolio that I support for the Assistant Secretary.

Thank you.

Senator HAGAN. Mr. Wechsler.

**STATEMENT OF WILLIAM F. WECHSLER, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR COUNTERNARCOTICS AND GLOBAL THREATS**

Mr. WECHSLER. Thank you also for having me back, and I want to compliment you on the topic of this hearing that combines these issues, as Assistant Secretary Sheehan said, which too often are viewed separately.

If I might just in a very brief opening statement point out four different trends that we see that are included in both strategies. First is terrorist groups that are adopting criminal techniques to fundraise, for logistics, for movements. This we see accelerating. This is something that General Clapper talked about in his threat briefing to the committee.

Second, our criminal organizations that are adopting terrorist techniques. You know, the criminal organizations in Mexico did not invent the idea of beheading people and putting the videos up on You Tube. They saw others do that, but then they adapted it for their own needs, and that is a different dynamic that we are seeing.

The third dynamic is terrorism organizations and criminal organization that hereto before have been separate, working together in ways that previously we had not seen. And nothing illustrates this

more than the attempted assassination of the Saudi ambassador here in the United States by the Quds Force trying to use the Mexican Zetas cartel.

And then the fourth trend that I might suggest is a little different than the first three, which is states, as we used to think of states, as we still think of states as being sponsors of terror, there are also states that are sponsors of crime, that use criminal activity as a tool of the state, as a revenue producer of the state. And that is a dynamic that we are watching very closely and trying to work against.

So, with that, I am very happy to take your questions.

Senator HAGAN. Thank you. Thank all of you for being here. And right now, I think we ought to do, Senator Portman, is just sort of take turns and not limit it to a specific number—I mean, minutes. And then obviously if other senators come in, we can adjust that.

And we also have a vote at 3:30 p.m. that has been announced, so I think we are clear to continue here until 3:40 p.m.

We obviously are talking about the strategies that—the President's new strategies that are articulating the threat and then the tools to combat the threats from terrorism and transnational criminal activity. But there is little actually in the strategies that lays out actually the roles of the mission.

So, Secretary Sheehan, can you discuss the roles and the missions of DOD in implementing these two strategies and speak to the situations where you think the Department of Defense will be a supported organization versus where it will be supporting another organization?

Mr. SHEEHAN. Thank you, Madam Chair. Actually, as you are well aware, in all our national security challenges moving forward, they are becoming increasingly interagency. DOD works very closely with the State Department, the CIA, and other organization in an integrated manner. But obviously in a counterterrorism aspect, DOD has a major lead role in that.

And I like to think about it, and I know that Special Operations Command does in two general areas: direct action and indirect action, or the strike operations and the advise and assist. And we play—and obviously in the special operations community, what I am primarily responsible for has a major role in both of those areas of operation.

The kinetic action has primarily focused, as you know, in Afghanistan and Pakistan, and increasingly in the Horn of Africa, as well as once in a while in Yemen, in those three areas. So, the primary interest for me for al Qaeda has always been Pakistan, has been for 15 years actually. And even when al Qaeda was in Afghanistan prior to September 11, they moved through Pakistan. So, that remains the number one area, the launch point for strategy attack from al Qaeda.

But increasingly, I have been concerned about Yemen. By the way, that is not new either as I was the Ambassador for counterterrorism when the U.S. Cole was hit in 2000, and that came from Yemen as well. So, Yemen has always been a breeding ground for al Qaeda going back into the 90s. But increasingly, it is shifting west into Africa, into Somalia, and across Africa. And so, we need a combination—in DOD, combination strategy, both the ki-



netic action to take out leaders when we see them, and then we need another strategy to advise and assist countries so that they can do the work. So, those are two of the major components.

And at the center of both of those is the fusion of intelligence operations and combat operations, and which since I have come into government, I have seen this extraordinary improvement in those capabilities within the special operations community to get intelligence from all sources, fuse those together with analysis, and then translate that into action on the battlefield, which is really the capacity of our special operation community to do that has been so greatly developed.

And I think that is really the heart of the strategy, Madam Chair, is those components of direct action of hitting the terrorists with kinetic strikes, training/advising others to do work in their country, and then the combination of the intelligence and the operation. That is really the heart of the operational aspects of attacking al Qaeda. Now, obviously there is other parts of it in terms of information, operations, fighting the growth of terrorist organization, and the recruitment of terrorist organizations. All those are important. But at the heart of it are those other parts of it.

In terms of organized crime, again, I think DOD plays a supporting role there to our law enforcement partners primarily, but we can bring tremendous capacity to the table, integrating with those organizations to bring pressure against organized crime, narcotics traffickers, both at the tactical level in Afghanistan, and at the strategic level where these organizations are operating.

And I think I am going to leave it at that and allow my deputies to fill in if you need to.

Senator HAGAN. And when you were talking just then, how does DOD's role in combating the transnational organized crime actually work in concert with the Department of State and for roles and missions? And then feel for Mr. Reid or Mr. Wechsler to join in.

Mr. SHEEHAN. Well, Madam Chair, at the State Department, and I was a former ambassador to counterterrorism at the State Department, for me at the State Department it was all about leveraging national will of our partners and the diplomatic action to do that. So, what we would do in the defense and the intelligence community is try to find out—to outline the trends, to find where these funds were flowing from to be as specific as we can. And then the job of the State Department was to help to bring the political pressure to bear on countries that take appropriate action. And a lot of these funds are flowing through banks and other areas, and the action taken by host countries just, quite frankly, has not either been effective or willing enough to put the pressure on those.

So, it is a combination of law enforcement, which helps identify, bring the law enforcement tools, DOD brings its different capacities to bear, and the State Department is about the diplomatic pressure. All together hopefully you will have a strategy that dries up some of these flows of funding.

Senator HAGAN. This will be my last question, and then we will go to Senator Portman. But let me ask about specifically Yemen and East Africa. In last year's defense authorization bill, it included the two authorities permitting the Department to expand its

capacity building activities in East Africa and Yemen. And it permitted the Department of Defense to spend up to \$150 million to provide equipment, training, supplies, minor military construction, and we are talking about the countries Ethiopia, Djibouti, Kenya, and any nation that would contribute to the African Union mission in Somalia, as well as Yemen's ministry of interior counterterrorism unit.

If you could explain to me whether DOD intends to use these authorities, and particularly the minor military construction authority and the authority to support militaries deploying to Somalia. If you could expand on that issue.

Mr. SHEEHAN. Yes, Madam Chair. We do intend to use those authorities in those areas. Obviously in Yemen we had a little difficulty in delays in that because of the political strife that was there. But we do want to move forward in both of those areas with those authorities. And let me turn to Garry Reid who may give you some of the details on that.

Mr. REID. I would just offer as an example of where the—and we appreciate very much the authority granted here—an example on the construction. As you may recall, before the political crisis in Yemen, we had reached a point where they were looking to expand the capability of their counterterrorism unit. And, again, this is a ministry of interior unit for which the Congress provided us the authority to work with in this current year legislation. We were not able to do that last year.

But the CTU expansion is a good example because here is an organization that is probably the most capable in terms of counterterrorism, but it is really designed to operate in Sana'a. They had put forth a proposal prior to the political crisis to expand CTU out into some of these provincial areas, which we thought was a good idea. Part of getting that done requires to create a little space for them to get out there and set up in a way that, you know, we want to be there advising them. Again, this would all be subject to a process, but they got to have a place to go that we can work with also.

So, whether it would be setting up—something as simple as setting up a pistol range where you got to get a bulldozer and some plywood, okay? Under most authorities, we normally would have—for training those would not be permitted. You may build something a little more elaborate than that, an ops center made out of plywood, something like that is where that minor construction becomes very important. It gives us a place to operate from. It gives us a place to go with them, and it sets the seeds for them to build further under their own system, you know, kind of paints the picture for them, so to speak.

I think that is the best example of that.

Senator HAGAN. The actual extension of the fact that this expires soon.

Mr. REID. Working on it right now in terms of both of the Yemen MOI and the East Africa, working with CENTCOM and AFRICOM on their side to pull these proposals together and get them coordinated in both departments. Again, this is Secretary of Defense, Secretary of State, sort of dual key. Work that up and then go through

the notification process to Congress, and we are optimistic and confident we are going to make full use of these authorities.

Senator HAGAN. Thank you.

Senator Portman.

Senator PORTMAN. Thank you, Madam Chair.

I want to talk about Iran for a second. And, Mr. Sheehan, thank you for joining us. It is good to have you here. These guys did a great job without you last year, but they were all waiting for you.

Last year, the Treasury Department, as you know, designated a number of high-ranking members of al Qaeda who operated a facilitation network from inside Iran, and this is the press release announcing the designation. This is from David Cohen, who was the undersecretary. "Iran is the leading state sponsor of terrorism in the world today. By exposing Iran's secret deal with al Qaeda, allowing it to funnel funds and operatives throughout its territory, we are illuminating yet another aspect of Iran's unmatched support for terrorism."

So, it is kind of frightening that combination of al Qaeda and Iran, you know. And a Shia country to have a Sunni terrorist group might not seem logical, but it is obviously in existence.

And so, my question, I guess, with Iran's long history of terrorist organizations, like Hezbollah and Hamas, to be able to project their influence around the region, what do you think about this al Qaeda relationship, especially when you combine it with the allegations of Iranian ties to planned or actual terrorist attacks against our allies? Earlier it was mentioned the apparent planned attack here in D.C., but we certainly have seen this India, Thailand, and elsewhere.

What is your understanding of this relationship? Do you see it as expanding in scope? Is it important to al Qaeda's leadership? And do you see this as part of a growing trend of Iran using non-traditional alliances with terrorist organizations to further their anti-Western goals?

Mr. SHEEHAN. Thank you, Senator. It is a very important question, and one that is very interesting.

As you mentioned, it would seem illogical for a Shia state, like the Iranians, to harbor a Sunni terrorist organization, organizations that have fought each other in the past. It is one that perhaps I would not have predicted prior to September 11, but it, as a fact, has happened. And the depth of the Iranian cynicism and use of terrorism as an instrument is expanding. And this is a classic example.

When they originally took the al Qaeda folks after September 11, I was watching it closely to see how they would manage them. And it seems to have evolved over time. Increasingly there seems to be more of an alliance than just the holding of them. And people—and also the movement of al Qaeda operatives through Iran is also very, very troubling.

So, they seem to be using them as instruments. They have seen—I am not sure I would call it an alliance, but certainly using them by harboring and then being to release them and move them around is something very troubling to our interests.

So, I think the Iranians are looking at a range of instruments as they feel the pressure from the international community on their

nuclear program. They are looking at a range of options that they might be able to use. You have seen some of their activities over the last few months using terrorism to try and intimidate Israelis and others. I think they are probably looking at other options to include these operatives to find ways that they can continue to intimidate the international community so they can have space to achieve their objectives.

So, it is something that we need to be very, very watchful of and try to build international coalitions to bring pressures against Iran so that they limit their options to use terrorism to advance their interests.

Senator PORTMAN. What should we be doing that we are not doing with regard to al Qaeda and Iran?

Mr. SHEEHAN. Well, I think one of the more challenging things is trying to get better intelligence on it. It is a difficult operating environment, and I think we will continue to work with the intelligence community on that to get a clear picture on what they are doing, and then try to intercept these people as they move. And that is something we have been very good at over the last years is trying to track terrorists as they move around the globe and then intercept them. So, I think intelligence is going to be the key thing to bring to bear against these individuals.

And the second, as I mentioned, I think Iran is susceptible to international pressure. When we can bring all our European allies and others together and we can ratchet up pressure on them, whether it be sanctions or otherwise, I think that can also be very effective. So, the extent that we can paint a clear picture to our friends and allies about that enables us to bring more pressure against them. And that can work. They are susceptible to that.

So, I think it is a matter of intelligence and then political pressure. It is just increasing it and ratcheting it up.

Senator PORTMAN. Actually this would be troubling to the Europeans. Is it troubling to the Russians, and is it troubling to the Chinese, to have al Qaeda being harbored in Iran?

Mr. SHEEHAN. Well, Senator Portman, that is a good question. The Russians and Chinese, I have been talking to both of those countries about al Qaeda since the late 90s. And they certainly have concerns about al Qaeda, but not at the same level we do. The Russians obviously had their own issues with Chechnyan terrorists and other Islamic terrorists, but not as directly with al Qaeda. So, they are not as focused on it. And the same thing with the Chinese. They have certain concerns about Islamic extremism within their borders, but, again, not the level of focus that we have on al Qaeda. It is not to say that they are going to support it all, but they often—you have to drag them a little bit along further in order to get the pressure to bear.

And obviously both of those countries have their own relationship—economic relationship with Iran, you know, with the Chinese with oil and the Russians with defense articles. So, it is a—you know that equation as well as I do. It is one that we just have to continue to work through and try to bring them on board as well, because ultimately at the end of the day on an issue like al Qaeda, they are going to support us, but not just as aggressively as perhaps our European allies.

Senator PORTMAN. Mr. Reid, the last time you were here, you talked some about your experience. And I have a question for you with regard to the impact on our special forces, in particular, after 10 years of sustain combat operations in Iraq and Afghanistan. As you know, some people have talked about the fact that there has been a degradation in the force, and that some of the core competencies, particularly in language and cultural expertise, have been lost by having such a focus on Iraq and Afghanistan.

What specialties, skill sets, do you believe have been impacted the most? Are you concerned about it? What is being done to rebuild these skill sets?

Mr. REID. Thank you for that question, Senator. And it is something that we are paying close attention to, as well as the special operations command, which has taken some steps in these areas, and we have worked together on that.

With regards to language and culture, we established within the Pentagon a steering for language and culture expertise. We used the proficiency standards coming out of Afghanistan for basic counterinsurgency, language, level of understanding, level of proficiencies from basic soldier up through squad leader, platoon leader, company commander, as well as the cultural training piece. We took that and worked through OSD and the Joint Staff to have the Secretary establish that as service-wide, DOD-wide standards.

SOCOM took that piece and has created language programs down within each of the component commands. MARSOC, USASOC, SPECWARCOM all have their own language programs. And all of this is an effort to get ahead of this problem that we talked about a year. And as you probably are aware, Senator, because of the tempo of activity in the Central Command area, we still have around 80 percent of all deployed SOF in CENTCOM. That has led us to over the years using our 7th Special Forces Group, which oriented on South America, 3rd Group oriented on Africa, 10th Group Europe. That was our going into the war baseline, 1st Group in the Pacific. All of them have been supporting operations in Iraq and Afghanistan.

Currently, about two years ago we tried to reset that as much as possible. And you still are going to have some of that because of the demand in the theater, but we have—we are into a better rhythm now of getting those regional forces exposure and interaction through things like the JSOC program and others. So, in between deployments, they are getting some of that exposure back in their region.

We have done some realignment using the National Guard, 19th and 20th groups, to get them to cover some of these things as well. So, we feel like we are a point where we are building it back up.

At the same time, although the demands are still quite heavy in Afghanistan, we are also realizing the growth of the 2006 QDR of adding the additional battalions worth of teams to each of the groups. That has created an additional depth within the groups, again, to help start alleviating sort of the back-to-back deployment to Afghanistan phenomenon that was creating this gap in expertise in the other regions.

With respect to the skills, again, largely through things like the JSOC program, we get all the operators exposed to different skill

sets that they may not be using in Afghanistan. But I would also say that the situation in Afghanistan is such that, you know, we are working, for instance, with the Afghanistan local police. That really for us is a—it is really an unconventional warfare technique set we are using to work with local forces and create these local security organizations. It is something you would see more in a UW setting. Obviously in Afghanistan, it is in a foreign internal defense setting. But we are using those skills. We are using the CT skills. We are using the direct action skills. We are using the foreign internal defense skills.

So, by and large, the majority of those are being hit in some measure by most of the operators.

Senator PORTMAN. That is good. I have a question for Mr. Wechsler on Mexico after we have a chance for another round. But just one quick question. It is really the most important question I think that I have today having just heard what Mr. Reid said about the reset and about special operations, in particular, and the need for broadening some of these skill sets after this focus. This all requires funding, and it all requires resources that are being constrained by the first step of the Budget Control Act.

And then, as I mentioned in my opening statement, we now have the second \$490 billion sequestration. If you could just briefly describe to the committee, and I know that the chair is interested in this as well. What impact do you anticipate the \$490 billion, the sequestration, to have on your programs, the ones under your purview we have just been talking about, and the ones you indicate the more resources are in certain areas, and what impact does the uncertainty of waiting until sometime later this year—maybe it is late fall, maybe it is the end of the year—with regard to the programs and activities that you guys oversee?

I am going to come back to Wechsler later if I have time on Mexico. I would like to talk to you about this.

Mr. SHEEHAN. Senator, it is difficult to answer because the Secretary of Defense has already been very clear about how devastating it would be. And within the Department, we have not yet decided how we would respond to that sequestration. But regardless to say, with that large of amount of money, it would certainly spill into the special operations community, and I think it would have a major impact on our ability to conduct the type of operations around the world that we are doing now.

In both areas that I mentioned before, both in the direct action, the kinetic strikes against al Qaeda could be effective, although I think those would be protected pretty much. But our ability then to build the coalitions and the types of partnerships that we need around the world, that had to be an impact for sure.

Senator PORTMAN. As they are developing the fiscal year 2014 budget, are they already coming to you and talking about what sequestration would mean for you, and are you giving them some analysis?

Mr. SHEEHAN. Not yet, Senator. We have not been asked to do that yet within the Department. But we are aware it is out there. We are aware it is the law. And so, that planning will come if we are not able to get it resolved.

Senator HAGAN. Thank you.

Senator Inhofe, as a member of the Armed Services Committee, we welcome you to this committee, and you are up.

Senator INHOFE. Thank you. I wanted to come by this subcommittee because I know we have a lot of interest there. And, of course, Mr. Reid there is as familiar as anyone with the LRA and what is going on.

Unfortunately, there is a misunderstanding when we first put the language in, and a lot of people have thought it was something where we were taking on another Libya or that kind of situation. And I think it is very important for all of us on the committee, as well as you folks, to make sure people understand. It was specifically structured so that there would not be combat activity, and it is the type of thing we have talked about. I have been involved with this for 15 years.

And I guess the first question I would ask is, is it reasonable for people to classify this in that it only started in Northern Uganda. That is where it was when I first ran into it. And then, of course, more recently meeting with the new country of South Sudan, and then all the way down to the CAR, and even touching on Rwanda and Eastern Congo. It has spread to the point where it could be considered to be a terrorist organization by the United States. I would say if you would agree that it would fall into that category.

Mr. REID. With the LRA, Senator?

Senator INHOFE. Yes, the LRA, mm-hmm.

Mr. REID. As I am sure you do know, Senator, for those that do not, Joseph Kony himself has been president on terrorist exclusion list for some time in our Government, and we use that in part as a basis for some of our resourcing for the LRA mission.

The organization itself certainly operates with the tactic of terrorism from, I guess, a bit of an academic perspective, whether, you know, what they seek to accomplish with that could be debated. But we certainly in the context of approaching them as an adversary and our advice and assistance to the Ugandan People's Defense Forces and others is exactly the approach that we have applied to terrorist organization, and that is they have to make a comprehensive effort not only to go after senior leaders, they have to understand the supporting networks that allow them to operate, and they have to focus on the local populations to prevent, when they do clearing operations, to prevent that group from coming back in there.

So, from all those points of view and my business in the counterterrorism world, they certainly be treated in that fashion as sort of a defeat and countering strategy.

Senator INHOFE. Yes. And I have often looked at what we are trying to do with the LRA as kind of a 1206/1208 training and equip type of thing, that we are assisting them, which I would say, from your view, how do you see that program, the train and equip program?

Mr. REID. Well, we are absolutely doing an advise/assist program, and we are providing training and equipment. The Defense Department is not the only one providing training. There are international organizations as well that are providing equipment to the UPDF and others. But our role clearly in this construct is limited to advise and assist. Our troops are not authorized or empowered

to make decisions that would put them in conflict with the LRA. In fact, the sort of rules of the road are advise/assist. If you have where you are asked to or you have an opportunity to participate in that activity, that there is an expectation of contact with a force at all, then you have to stop, and at that point there would have to be a policy discussion back in Washington about whether that was an appropriate step or not.

We are not up against that right now. The advise and assist, since October, has progressed in a manner that was envisioned. We have got some folks up forward, as you know, Senator, and we are increasing the effectiveness of these forces in their mobile search operations and integrating their command and control, improving their communications between the different nations that are involved. Those are all the objectives we set out to do, and we think we are relatively on track with what we—

Senator INHOFE. Yes, and I appreciate that. Really what I was getting at, though, is just from your perspective, the three of you, the train and equip program, the merits of that program. Would you have any comments to make on that?

Mr. SHEEHAN. Senator, I thank you for the question. I think they are fundamental for our ability to do our job around the world. And increasingly as our mission shift away from Iraq and Afghanistan, these authorities are absolutely essential for us to conduct our—and this is a classic special operations FID mission, as Garry was laying out to you. And so, we look forward to working with the committee to extend those authorities and continue to use them effectively.

Senator INHOFE. And the Global Security Contingency Fund, which is kind of our thing, would you have any comments to make on that?

Mr. SHEEHAN. Yes, Senator. Again, we are very supportive of this fund. We are working very closely with the State Department now to move forward our proposals. And we see these, again, as fundamental to our being able to do these jobs in this new environment.

Senator INHOFE. Okay. Mr. Reid, it has been probably about six weeks—five or six weeks. Is there anything that we need to meet on since that time? Any updates? Not here obviously.

Mr. REID. Not here.

Senator INHOFE. Okay.

Mr. REID. But, again, I would just summarize that from all the expectations that were built in the front end of this, I would characterize this as being as on track as we could have imagined based on the milestones and objectives we laid out.

Senator INHOFE. Good.

Thank you, Madam Chair.

Senator HAGAN. Thank you. And as of—what I propose that we do is continue going until 3:40, and then we will reconvene after the vote. There is a vote, Senator Inhofe, at 3:30.

Senator INHOFE. At 3:30, yes.

Senator HAGAN. Yes.

Secretary Wechsler, at our meeting last week, you discussed the success of the training efforts of the Afghan counternarcotics police. Can you spend a moment updating the committee on this program with the thought in mind of what role has the Drug Enforcement



Administration played in this program, and how has DOD supported the DEA's efforts? And what are the lessons that we are learning or have learned from the Afghanistan training program that can be applied to other efforts around the globe?

Mr. WECHSLER. Sure. The efforts that we have done to integrate military and law enforcement operations in Afghanistan have really taken us beyond anything that we have previously experienced in the Department of Defense. There are a lot of lessons that can be taken out of the success.

The most critical one is when we are dealing with an adversary that has revenue sources from criminal activity, from drug trafficking, in this case, in order to fund itself to meet us on the battlefield, the authorities and skill basis that we need to defeat that adversary extend beyond those that are contained inside the Department of Defense.

We need to rely on our law enforcement partners on the authorities and the skills that they can bring to the table. In this case, the Drug Enforcement Administration's efforts have truly been critical to our integrated efforts to take down the nexus of narcotics, insurgency, and terrorism, especially in the south of Afghanistan.

We have helped in terms of funding, in terms of logistics, in terms of planning, and in terms of enabling an operations the Drug Enforcement Administration to do its work. What they have done, and what has been very effective, is building Afghan capability, as you mentioned. They have a variety of specialized vetted units that are very high trained, that have been built over time that now number in the hundreds in order to do investigations, in order to do interdiction operations, in order to do air lift, in order to do legal judicial wiretaps, that are really critical.

And, in fact, in many cases, these vetted units are now so effective that they are operating independently on their own without DEA support, much less DOD support. And I see the reports of what they are doing on a weekly basis, and it is definitely helpful to us in our war effort and our continued efforts that are going to go forward in the foreseeable future to continue focusing on the nexus between crime and terrorism in that part of the world.

Senator HAGAN. Do you have any idea how much money actually comes into Afghanistan having to do with the narcotics trade? And do we keep a focus on that year in and year out?

Mr. WECHSLER. The answer is that there are many estimates of total amounts of money. I am not exactly sure that any of those estimates have a very narrow error range around them. But it is to say that—but one thing we do know for sure is that 90 plus percent of the world's heroin, the entire world's heroin, comes out of Afghanistan. The parts of Afghanistan that it comes out of are exactly those parts where the Taliban has influence, and in some cases, serious local control.

That is not an accident. The Taliban and the narcotics trade are intricately related, and the efforts that we are making to go after—you cannot go after one without going after the other. And that is why we built these efforts. And our estimate is that a majority of the funds, especially local funds that are—that the Taliban uses, are derived from different parts of the drug trade.

Senator HAGAN. So, do you think over the years that we are making success in reducing that 90 percent that is coming out of Afghanistan?

Mr. WECHSLER. I think that will be—what our experience in Colombia has shown is that that is the most lagging of indicators. It is only after you have success taking down the networks, after you have success building security, that then you start to see total amounts of drug production go down. It is not a leading indicator; it is a lagging indicator.

Senator HAGAN. Thank you. After the unintentional and regrettable burning of the Korans in Afghanistan recently, there have been a number of incidents in which our U.S. service members have been killed by individuals wearing the Afghan uniforms. As a matter of fact, I believe it was just yesterday I was heading to the Capitol, and there was a service member who was wounded. And when I was chatting with him, he actually said that he had been shot by an Afghan military counterpart.

Our special operation forces have to work closely with your—our Afghan counterparts obviously on a variety of operations, often far from the protection afforded at a—by a larger military institution. And the troubling reports I think even today, this morning, indicate that an alleged member of the Afghan local police opened fire on coalition troops yesterday, killing one.

Can you tell me if those reports are accurate? And then do you have any force protection concerns for our special operation units as they continue to carry out these very important operations? And then how would these instances be addressed?

Mr. SHEEHAN. Madam Chair, these reports are generally correct, the ones you refer to, and I think there was recent killing of some of our coalition partners also from Afghan security forces. This is an extremely troubling trend that seems to be growing.

It is an issue for our special operations forces as well, although normally those forces operating with smaller units out in outposts, they get to know them very, very well, and perhaps it would have been less of a chance. But nevertheless, it is a major concern.

The size of the Afghan security force is so large, in many ways it represents Afghan society in a way. And there is this frustration among some elements of that society that is reflected within their military. And they have been agitated by different types of clerics and other extremist leaders, and they are hearing that language, and it is motivating them to take steps and take up arms against our soldiers and our coalition soldiers. So, this is a major concern across the force to include special operations forces.

There are numerous programs right now being administered to try to determine where these types of people may pop up. But this is very difficult because of the emotions involved, and because of the susceptibility of some of these members of the Afghan security forces to fall susceptible to the radical narrative that is being spread around that country.

So, this is a major concern. Even at the strategic level it has an impact, these types of killings. But hopefully we will be able to minimize that, work our way through that, and continue to build partnerships with our Afghan security forces that generally is mov-

ing in the right direction, and is really the focus of our strategy moving forward. And this will be a major part of it.

During a vetting process where we feel that there is somebody that could possibly have an adverse reaction to the U.S. troops, how is that handled as far as conversations and communications with the Afghan national security forces or the police? And then how is—what action is then taken?

Mr. SHEEHAN. Obviously, Madam Chair, in a vetting of people coming into a unit, it is easier to throw them out, and that is being done increasingly, programs to try to vet new units. But for people that were in the force, it is much more difficult to do. So, I have not—I am not sure right now whether we have identified—been able to do that yet. I will turn to Garry. I am not sure that we have really been able to kick people out for identifying extremism.

But when we do, there are—if people are identified as extremists within that, we work with the Afghans to move them out. But it is difficult.

Senator HAGAN. Mr. Reid.

Mr. REID. Are you specifically asking about the ALP? I thought you were. And, as you may know, that process, the nomination and vetting process, is driven by the tribal elders, the village leadership down at the lowest level possible. And we think that is the strength of the program. All of that ends up being vetted and approved by the district governor as well.

So, the very closeness that on one hand creates maybe the greatest vulnerability for us, it also gives us the best awareness of who we are dealing with.

Senator HAGAN. How about the Afghan security forces?

Mr. REID. Within the Afghan security forces more broadly, again, that process is done through the NATO training mission in Afghanistan. I am not personally familiar with how that vetting and validation works.

Senator HAGAN. Are you familiar whether we have lost any special operation forces in the smaller units further away from the major installations?

Mr. REID. Yes, ma'am. With regards to the post-Koran green on blue, knock on wood, we have been fortunate that no Afghan that we are working directly with has turned his weapon on a special operator. Again, we are lucky in that sense. But I think it is a function of the familiarity the Secretary spoke of.

With respect to the incident last night in Paktika, from what I have seen of that, it was not that case. It was a case of a checkpoint. And I—the bit that I know about it, it seems more what I would call a fog of war issue. It was not a I am turning my weapon on you because I know you are an American SOF person, and I am mad at you. That was not the case. Some confusion, some checkpoint, not quite clear. But from what I have seen so far, I would not put it in that green on blue category just yet.

Senator HAGAN. Well, it is a tragedy whether it is a special operation forces or anybody within our military when this occurs obviously. And the vetting process, I think, needs to be delved into a little bit more, especially for people who are still currently—or have been in the Afghan force.

Let me ask one more question. In al Qaeda in the lands of the Islamic Maghreb has expanded its role and influence in the region as a result of large ransom payments, and then an influx of weapons from the conflict in Libya. What ongoing efforts does DOD have to counter AQIM? And what authorities is the Department leveraging to conduct these operations?

Mr. SHEEHAN. Well, senator Hagan, this is, as I said, after AfPak, and in the Horn of Africa, and Yemen, this is right—coming up as the number three priority and rising for Department of Defense and, particularly, for our office for the spread of AQIM in North Africa. And it is very, very troubling. Again, not really new. It goes back into the late 90s, but now it is increasing the acceleration of al Qaeda's influence there is very, very troubling.

We are working—this is a very troubled part of the world, and in each country there are different challenges for us to operate there. And we are working country by country to look for opportunities to establish the relationships there and start to build our coalitions to fight AQIM in North Africa.

And, again, this is an important question because we will need different authorities. We will need different types of programs in order for us to engage with the range of countries from Libya down through Mali, which is obviously in the middle of a chaos right now, to Mauritania, all the way—and, quite frankly, all the way over to Nigeria. So, we are talking about spanning across the whole continent.

And so, we are going to—we are looking in my office particularly looking at Africa very closely, as is so common, as is Senator Ham is, you know, to look across these countries to figure out how we are going to address this in a coherent way as AQIM grows and strengthens in a very troubling way.

Senator HAGAN. When you say “different authorities,” can you give me an example of what you are describing, or what you are thinking?

Mr. SHEEHAN. Well, yes, Senator. I think that in—most of the authorities that we have right now are narrowly construed to counterterrorism, and those work. I think, for some countries, we may need a little bit more flexibility to go in there. And I know Admiral McRaven, special operations commander, thinking of some broader authorities and multi-year funding so we can establish the relationships in some of these countries, and start to develop the defense relationships to then build upon their capacity to take on these threats.

And, as you mentioned, some of these threats are not pure terrorism—extortion groups, criminal groups, different types of threats. So, if we have a broader range of authorities, we can respond with more agility to each country with a different set of programs. So, I think that is the direction we are thinking.

Senator HAGAN. Thank you. It is now 3:40, and I would suggest that we—oh, excuse me. The vote has not started yet, so, Senator Portman.

Senator PORTMAN. Thanks, Madam Chair. I cannot come back after the vote.

Senator HAGAN. Okay.

Senator PORTMAN. So, I am going to ask my questions now.

Senator HAGAN. Okay.

Senator PORTMAN. First of all, when you say “additional authorities,” I assume you are not seeking statutory authorities? Are you talking about understandings with these countries that would be agreements on a bilateral basis, or are you looking for legislative authority?

Mr. SHEEHAN. Senator, we are looking for some legislative authority that we will be bringing up later and discussing with you, I believe, in the weeks or months ahead that might be able to give us some broader authorities, legislative authorities, and multiyear funding for some of the types of activities we would like to do in terms of building coalitions to take on these complex threats.

Senator PORTMAN. Okay. We look forward to that, and I hope, you know, you will be able even now to give us some sense of what you are looking for, because there may not be many vehicles moving this year unfortunately. So, to the extent you can get us that even in anticipation of those specifics and before the authorization bill gets put together, that would be helpful.

With regard to Mexico, I mentioned, Mr. Wechsler, I wanted to ask you some questions about that. Obviously what President Calderon has done going after the cartels has come at enormous costs. I think over 50,000 Mexicans have now lost their lives since 2006, 13,000 last year alone. And, of course, this impacts not only Mexico, but us, including American citizens.

What is your assessment of what is going on right now in Mexico, the current security situation, and what threat do you believe these violent criminal organizations pose to the United States, particularly along the southern border? Are we making progress?

Mr. WECHSLER. Sure. President Calderon deserves a great deal of credit and respect for his hard first order decision to take the battle to these criminals. This is a change of long-standing, you know, Mexican history. It is a right decision that he made. And one of the challenges is that when you make that decision, things tend to look, you know, look bad before they get worse. And, in fact, in some cases they have to look worse because they get better. Sorry.

There has been a lot of progress that has been made inside Mexico, a lot of progress of dismantling certain organizations and splintering them. But with that progress has come increased violence in a number of places. And this is a continuing challenge for the Mexicans, and one that they will continue to face in the years ahead.

This is of critical importance, of course, to the United States because this is our neighbor. This is our friend. This is our partner. This is our third largest trading partner, as you are well aware. It is also important for the United States because unlike, say, the Colombians back in the 1980s when they were dominating the drug trade into Florida, the Mexican transnational criminal organizations have a much greater presence at the wholesale and retail level inside the United States.

And one of the challenges that I think we face is sometimes we look so much at the border that we do not recognize—we do not pay enough attention to some of the things that are happening inside the United States. This is why a lot of—where the Department of Defense works, but I cannot help but notice that just at the end

of last year, the Drug Enforcement Administration did one operation in Chicago against a sell of the Mexican Zetas, and they captured \$13 million in bulk cash. That is an incredible amount of bulk cash, you know, sitting there. These are the kinds of operations that our colleagues in law enforcement are doing every day and are a big part of how we solve this issue.

Senator PORTMAN. Well, I appreciate the answer. I do think, you know, when you have these kinds of seizures, you are talking about the cashier and a 15-ton seizure of methamphetamines outside Guadalajara earlier this year, which I understand is—it certainly sounds like a lot, and it is. It is equivalent to nearly half of meth seizures worldwide in 2009—as recently as 2009.

So, the question is, are we making progress with those kind of numbers? And that was worth \$4 billion, one seizure. I just wonder what it tells us about the progress we are making. Again, I think President Calderon has been courageous, and I think he is doing the rights things. How can we assist him in different ways to be able to make more progress? That would be my question, not that I am looking for an answer today. But if you would like to submit one for the record, that would be appreciated, unless you have something you would like to mention.

Mr. WECHSLER. Yes, sure. The one thing just—well, I cannot talk about any individual investigation or operation. I do want to point out that one of the things that we try to do is make sure that the Department of Defense is supporting law enforcement in the appropriate ways as we can.

Joint Interagency Task Force West in Honolulu has built up significant expertise over the years in tracking containers and identifying suspect containers. And over the last year, we have focused a lot of that work on specifically methamphetamine related container shipments across the Pacific towards the Western Hemisphere. And so, some of the statistics that you are seeing are evidence of good interagency work that is being done.

Senator PORTMAN. Central America also tragic when you see what is happening there. The SOUTHCOM commander recently said Central America has become the key transshipment zone. Ninety percent of cocaine destined for the United States, transits the sub region. I am told that San Pedro Sula, where I have been in Honduras, is now known as the most dangerous city in the world, alarming increase in violence.

And so, I would ask you, Mr. Wechsler, but also Secretary Sheehan, what do you think the current situation is in Central America? What should we be doing we are not doing to help our allies in the region increase their capacity to confront this incredible spike in violence? And, you know, what are the major gaps, and what should we be doing? You were a special operator in Colombia. You have seen a successful play in Colombia. Why are we not seeing the same success in Mexico and in Central America?

Mr. SHEEHAN. Well, Senator, I think it is a classic case where in Mexico where there has been progress, it has pushed things south, or the Mexicans have put pressure on the cartels. They look for other opportunities to move their products, their precursors, and other activity. And Central America has been traditionally weak states. I served there as special forces captain in El Salvador in the

80s, very violent place as well. I was also in Honduras for many tours as a member of the 7th Special Forces Group.

The Central American Governments have never been very strong. Their economies are very fragile, so there is opportunities. The narcotics traffickers have found great opportunities to operate there, and they moved in there very quickly, and we have to respond. And basically we need to respond with all the instruments that we have done so, both in Mexico, and in Colombia, and in other parts to try to push back against the expansion of the narcotics industry through Central America because these weakened states are very, very vulnerable. And so, it is something that the Department is turning to, and we look forward to moving all those fronts in Central America to help strengthen those states.

Senator Portman [Presiding]: The chair is wisely going to vote, and I am going to be joining her in a second. I guess just one final question getting back to, again, the opening statement and the original conversation about resources. This is a general question, but it goes to the physical constraints we are going to be feeling here for quite some time regardless of what happens with sequestration.

Do you suspect that in the 2014 budget, in the 2013 budget, that your work, particularly the Special Operations Command, will continue to have a priority? And, you know, are you concerned about, again, what these budget pressures are going to do your capability? Can you just put that in some context for us?

Mr. SHEEHAN. Yes, Senator Portman. It is good news and bad news for us in the special operations community.

The good news for the special operations community is that the President has made it very clear in his strategy that special operations, as well as cyber and other issues, such as the Pacific, are going to have priority of resources as we have done a strategic review and a shift in our national security policy and our defense strategy. So, I think special operations will, in many ways, fare better than some of other parts of the Department, but there is no question in my mind that we will also, if there is sequestration or dramatic cuts, that we will also share part of the burden. And I think it will have—we will share some major impacts in our programs.

Senator PORTMAN. In terms of the strategy going forward, though, I mean, again, assuming we will continue to be under these budget pressures, which unfortunately I think looks true when you look at the President's budget, you know, it is another \$11 trillion to our debt over the next 10 years, which your former Joint Chiefs Chair said was the biggest national security challenge we face is our deficit and debt. Are there ways to take our existing budget and, again, given the fact that we are looking at a projection of spending less than we had planned to already, and if sequestration goes into effect we will be spending even less than we had planned to, is there a way to use special forces more to be able to do some of the same critical missions, but at a lower cost?

Mr. SHEEHAN. Yes, Senator, and I think that is part of the President's strategy, recognizing the Special Operations Forces provide the national command authority at a relatively inexpensive way to project our national interests. And so, I think that that is going to

be central to our strategy to try to protect our interests in a cost-effective way with SOF, and also building coalitions with our partners to achieve mutual goals. So, I think that is part of a way to reduce our costs and still protect our interests.

Senator PORTMAN. With regard to the conversation earlier about al Qaeda, we did not talk much about Iraq. General Mattis, commander of U.S. Central Command, has stated before this committee that he sees strong indications that al Qaeda is making a comeback in Iraq. I would ask you if you agree with General Mattis' observation that al Qaeda is making a comeback in Iraq. And, if so, to what do you attribute this resurgence? And do you believe that the Iraqi security forces are capable of conducting effective counterterrorism operations?

Mr. SHEEHAN. Well, Senator, there is no question General Mattis is right. The numbers bear out his observation that al Qaeda has increased its attacks in Iraq.

I think that it remains to be seen how this evolves. Al Qaeda has its own problems in Iraq as well, operating there in areas that—in different areas and different relationships with the Sunni groups there, although you see some spillover of some of the Sunni insurgent groups backing al Qaeda, which is also a troubling trend. So, I think it remains to be seen whether the Iraqis are going to have the full capacity to deal with it.

Obviously since we left there, there is no question that the capacity of their special operations forces are not as the same as when we are standing side by side with them. There is just no doubt about that. But that is a decision they made. They are going to take this on by themselves. We will try to help in every way we can as a country that is trying to assist them gain some stability there.

But clearly al Qaeda has grown there. It has got a troubling trend. And quite frankly, for me and for our office, we are looking for the ability of al Qaeda to project there an export which will also be troubling to our national interests. So, we are looking at it not only in terms of it destabilizing Iraq, but also providing a platform for the projection of a strategic al Qaeda from that area. So, a major concern as well.

Senator PORTMAN. To the extent that al Qaeda uses Iraq as a platform as they have in other countries, including Yemen, as you indicated, certainly Afghanistan, which is why we went in the first place, would it be your view that special operations forces should be in Iraq to help deal with that threat?

Mr. SHEEHAN. Well, Senator, that is a very difficult political question. But obviously for me personally, wherever al Qaeda exists and where there is sanctuary for al Qaeda and their operating, and we can develop a partnership with that host country in order to take on al Qaeda, that is something I would like to pursue.

Obviously we have a political equation with the Iraqis regarding our defense relationship. Right now, hopefully we will see it evolve over the years ahead, and we will have opportunities to work with them where we have a mutual interest like this.

Senator PORTMAN. Gentleman, again, thank you for your testimony today. And, again, it is being used in a very direct way to help us put together the right authorization bill, but also just great



information as we try to figure out how to work through these budget challenges and be sure that our unique capabilities in the areas that are under your purview have the resources they need, and that they are used effectively.

So, this hearing will now be in recess until the chair comes back. And I am going to sprint to a vote. Thank you.

[Recessed.]

Senator HAGAN. If we could reconvene, that would be great. Thank you.

I had just a few more questions, and I thought as long as we are still here, we will go ahead and I can have your great answers to these questions.

Secretary Sheehan and Secretary Reid, given the emphasis on the special operations capabilities in the Department strategic guidance and budget, and the reduction in the size of the general purpose forces, do you believe that there is a risk in commanders becoming too reliant on our excellent special operation forces? And then, also, how do you believe the focus of the strategic guidance on the Middle East and Asia Pacific will impact deployments of our special operation forces? So, the first one being the reliance on SOF.

Mr. SHEEHAN. Thank you, Senator. In some ways, because our SOF forces have been so effective, there will be demands for them, and that is a good thing. But I think that we are going to be able in the future to manage that expectation. I think Admiral McRaven is working on that now to make sure that we do not exhaust the force, and I think we have those plans in place to manage that.

But certainly there will be lots of demands for the excellence that these men and women provide to our national defense, but I think we can manage it.

Senator HAGAN. The amount of time it takes to train a member of the Special Operation Forces I understand is a rate of 3 to 5 percent per year without sacrificing quality. So, do you feel comfortable that we can keep those numbers according to what the demand is for these troops?

Mr. SHEEHAN. Yes, Senator. I think we are going to project a growth up to about 70-, 71,000 over the next few years at that rate.

Senator HAGAN. And where are we now?

Mr. SHEEHAN. Sixty-six, I believe, somewhere around there, 67. So, a couple more thousand over the next few years, we should be able to do that without a great strain. And from there I think we are going to hold it and then try to sustain that force, and protect the deployment schedule of that force.

Senator HAGAN. Mr. Reid?

Mr. REID. I would just add to that last point that the operator growth, which is really the 3 to 5 percent pace within this current growth plan—the operator growth is in place. The last layer the Secretary just referred to is in combat support enablers that were put in place in the last QDR, and then most recently in the '13 program review.

With respect to the over reliance on SOF that you asked about, the Secretary also sits atop the Department's Regular Warfare Policy Group and the Security Force Assistance Group. And both of those were designed, and the reason they were put in our office is

to apply the experience and expertise that SOF brings into both those areas, and help the services with their capabilities, and oversee it for the Secretary.

Regarding, you know, whether SOF becomes overused, in security force assistance, for example, the policy that he oversees sets out a framework. So, small missions, sensitive environment where most people think that is typically a SOF mission, that is sort of a threshold. Small mission, maybe not overly politically sensitive where a general purpose force could apply, that would go to them. And then a larger context mission that maybe you would need to have both. Again, that all works through that process.

Services are involved in this, and particularly the ground forces in regionally aligning folks in both Army and Marine special purpose MAGTF and advise and assist brigade construct that is being used in Afghanistan. Again, overseeing how they adapt that going forward for these future requirements is our hedge against you what you asked about how you just give it to SOF, give it to SOF. We are promoting the development of those capabilities for the right mission sets all in one package.

Senator HAGAN. And then, how about the focus on the strategic guidance on the Middle East and the Asia Pacific? How will that impact other deployments?

Mr. SHEEHAN. Well, Senator, I think the President has made it clear that he does want to shift to the Pacific, and to align our national defense strategy with our interests there. And that, I think, will require us to look at the resources that are going to be deployed there, and it will—we are going to have to shift, as we mentioned that 80 percent of our forces have been in CENTCOM over the last 10 years. That is going to change in the future. But I do think we do have the force structure in SOF to do that and do it properly with the—when we grow to 71,000.

But I do want to mention, though, there will always be a strain on certain low density MOSs and certain types of officers that seem—will get the call, those with special skills and languages, or intelligence fusion, logistics people, certain types of skill sets that have to be managed because they get the call often.

And also what happens, we have to watch our readiness is those people will be plucked out of units to be tailored to conduct certain missions in country in order to meet that exact need. And that also disrupts the force.

So, this is a management problem for Admiral McRaven, and he is very attuned to it and trying to develop the processes to protect that while we have the flexibility to put together different packages for countries. But there will be that challenge of a certain percentage of the force it seems that will be getting the call often. That has always been the case in special forces and will continue to be, but it is something that we will work our way through.

Senator HAGAN. What is the typical length of deployment for our special forces in these situations?

Mr. SHEEHAN. It varies, but generally six months, but sometimes less, four. Sometimes it goes to a year depending on what they are doing, but generally around six.

Senator HAGAN. And then what is the dwell time?

Mr. SHEEHAN. Excuse me, ma'am?

Senator HAGAN. What is their dwell time?

Mr. SHEEHAN. Well, normally you want about a 20, 30 percent is what we are looking for. I think that is the number, 20 to 30 percent.

Senator HAGAN. So, if they are on for one year, you are saying they will not be deployed for a period of time.

Mr. SHEEHAN. Right. They are on for—say they are on for 6 months. They should get 18 months off.

Senator HAGAN. Let me ask about the rewards program. The State Department offers rewards for the arrest and conviction of certain individuals that are wanted for terrorism, narcotic trafficking, certain past war crimes. And I understand that legislation is being developed to expand the State Department's rewards program to include transnational organized crime, and to broaden the scope of rewards for persons wanted for war crimes, crimes against humanity, and genocide. And I understand such an expansion might assist the DOD's efforts against the Lord's Resistance Army.

What is the DOD's position on the proposed expansion of the law, and how could it help your efforts?

Mr. SHEEHAN. Senator Hagan, I am not exactly familiar with all the details of it, but I will say this, that we—from my experience, these rewards programs have been very successful in the past, and we look forward to seeing more of those programs out in the—brought to the table.

Senator HAGAN. But this would specifically be just in the State Department.

Mr. SHEEHAN. Right. But still, we are looking at the same target sets—

Senator HAGAN. Right.

Mr. SHEEHAN.—so I think it is very, very complementary.

Senator HAGAN. Okay. We talked a little bit in some of our earlier questions, and you referenced Admiral McRaven request to perhaps seek more authorities. You know, we have seen a lot of news reports that have suggested that he is seeking broad, new global authorities for the special operation forces.

If you could—well, he actually said in a hearing on March 6th that—Admiral McRaven stated that he will never deploy forces to a geographic combatant command without that geographic combatant command's approval. We never go into another country without getting clearance from the chief of mission, and the chief of mission always has a vote on whether or not the U.S. forces arrive in the Nation that he or she is sitting in.

So, what is your understanding of the assessment authorities being sought by Admiral McRaven? And would such authorities require a change to the unified command plan or new legislation?

Mr. SHEEHAN. Yes, Senator. These proposals are being worked in the Department. Right now as we are speaking, our staffs are still working on these proposals.

I think it is what Admiral McRaven is doing is really part of the long evolution of the special operations community since it was really created by the Congress in its legislation in the mid-80s of Goldwater, Nickels, and Nunn-Cohen. It was landmark legislation that created the special operations community, created our office, the geographic command as well. And those authorities served us

well in providing the national command authority these types of capabilities when they needed them, which might not have happened had not Congress acted in the 80s.

And I think right now we are another point where we are at an inflection point of our strategy in thinking about where the special operations community is going to be over the next 10 years. The national defense strategy, as articulated by the President and the Secretary of Defense, calls upon the special operations forces in playing a major role across the globe in achieving our defense objectives.

And in order to do that, in order to meet those new demands by the strategy, Admiral McRaven is trying to come up with different proposals to give him the ability to react to those demands that are going to come down. And they come across a range of things that may include a UCP language change. It may include a different relationship with the sub-unified TSOCs that are in each of the geographic commands. It may include different legislative authorities. There are different types authorities to move forces around are all being discussed to give—basically to give Admiral McRaven the ability to provide options to the national command authority to meet our national security objectives in a more coherent and efficient way. And it is something that I broadly support, and the details are being worked out.

I think it is an opportunity for us to reshape how the special operation community functions within the Department and within the interagency community to respond to these emerging threats and the strategy that we are trying to design to meet those threats.

So, over the weeks ahead, we will be working through those proposals. And I think at the end we are going to see a new strength and ability of the Special Operations Command and our office to provide these options for the next command authority both within a geographic command and when, as you mentioned in your remarks, these transnational threats that require looking across commands to synchronize across commands special operations can do—special operation command can do because he sees across geographic commands.

So, I think this is really the heart of what we are talking about and working through the Department, and assuring people, as mentioned by Admiral McRaven in his remarks, assuring geographic commands and the State Department that their equities will also be integrated into this in a whole-of-government approach, a whole of DOD approach to resolve these issues.

Senator HAGAN. If a geographic combatant commander requested special operation forces, can you describe for me what might be the length of time before he would find out whether he receives those special operation forces, how long it could be?

Mr. SHEEHAN. Yes, Senator, and sometimes it can be instantaneous, the relationships that we have among the geographic commands in SOCOM, particularly in JSOC and some of those operations are instantaneous. We can move forces. For some of the other ones that perhaps require a little bit more development, it might take weeks or even months to put together the right team to prepare them for deployment and send them. So, I would say

anywhere between almost instantaneously moving forces to several months.

Senator HAGAN. But I understood that in some instances, because of the chain of command, this could take up to many, many, many months.

Mr. SHEEHAN. Yes, Senator, in some case. And I think those cases, they are the ones where there is either—I think those are normally ones where there is more of a political diplomatic issue at stake, or moving into a country where the issues are complicated, and whether—how we want to employ force in a certain situation, or what is the relationship—our defense relationship with that country. Those are normally the things that hang it up.

Normally in terms of our forces, if we really need them, we can shift them pretty quickly. So, the longer ones are normally a political military dimension.

Senator HAGAN. Okay. I wanted to shift a little bit to the village stability operations. And witnesses before the committee have consistently highlighted the importance of the village stability and the Afghan local police programs to our strategy in Afghan. How do you view the future of these programs given President Karzai's recent comments that all international forces should leave the villages and return to the large bases? And this—he made this statement after the soldier who carried out the tragic shooting of the Afghan civilians on March the 11th.

Mr. SHEEHAN. Senator, Madam Chair, it is interesting. I listened very carefully to President Karzai's remarks about this. And quite frankly, he is right in the long term. In the long term, we want the Afghans to be out front. We want to move back in the barracks. We want to go back home. So, there is no question about that.

Unfortunately, right now we are not ready for that, and so we are going to have a dialogue with the Afghan Government about the pace in which we turn over the security to the local forces. But right now, I think it is very, very important that ALP program and the village stability operations program are, I think, are crucial to our strategy in stabilizing some of the rural areas in Afghanistan. And it is crucial that our forces be out there operating in the field to try to get the momentum further advanced before we do turn it over to the Afghans. So, I think it is a matter of timing, and right now I think that we need more time in order to get those programs established.

There has been great progress. Again, it varies from place to place, as you know. Some areas, these programs really take off. It depends on a lot of factors: the local leadership, how committed they are to it, the levels of corruption, et cetera. But there has been great progress in many areas, and we plan to keep growing this program out to 30,000 ALP, and that is going to take some time. So, I hope the Afghan—we will be able to work—continue to work with President Karzai and the Afghan Government to continue these programs as I think it is a cornerstone of our strategy of exiting and actually achieving what President Karzai wants for us to step back. But we need some more time.

Senator HAGAN. You quoted the number 30,000 for the ALP. Where are we now?

Mr. SHEEHAN. We were at 10 last time I checked, but I think we have moved a little bit further than that, somewhere of 10 and moving maybe to 12 or something, around there, 12. We have a ways to go, but it is a very, very important program, as you know, Senator.

Senator HAGAN. Some human rights groups and others have accused the Afghan local police units of serious abuses against the populations that they are obviously being tasked to protect, including killings, rapes, beatings, and extortions. The program has also been criticized by some for encouraging the proliferation of armed groups within Afghanistan. What is your response to these criticisms of the Afghan local police?

Mr. SHEEHAN. Senator, I think some of those have been exaggerated. I think that—and obviously when there are abuses, these are some things that we take very, very seriously to investigate and respond to any abuses of human rights by any Afghan national security force, whether it be the regular army, the police, or the ALP. So, I think some of these have been exaggerated for political purposes. Where there are problems, we need to address them very rapidly and effectively.

And, I'm sorry, I forgot the second part of your question.

Senator HAGAN. Just a second. Just what is your response to the criticisms. There has been criticism, too, or accusations that it has increased the proliferation of armed groups within Afghanistan.

Mr. SHEEHAN. Right. I'm sorry, that is right. Again, I think that is an unfair characterization because the ALP is within the ministry of interior. Yes, there is a degree of independence at the local level, which we think is part of why it has been effective, because as Garry has mentioned how it links to the local leadership. And it is a local response to a local problem. You get the commitment at the village level to the security. And so, in a way, it is a grass roots approach to counterinsurgency, which historically has been effective.

But there have been those critics that worry about it becoming its own separate army. That has been a criticism of these types of units historically and to include in Afghanistan. It is an issue that we have to be mindful of, and we have to be mindful to make sure that as we—all of the organizations within both the ministry of defense and the ministry of interior within Afghanistan are working together and staying together as unified, and not to split up into different types of political or other interests, which could unravel things in the future.

So, it is an issue that we have to be wary of, but right now I think that it is part of the same team, and that those criticisms are a bit exaggerated. But I am very mindful that that has to be watched.

Senator HAGAN. While we are talking about the village stability program, can you give me an update on how the women within our military are being utilized as part of this village stability program? I read a lot about it a while back, but I have not been updated on it recently.

Mr. SHEEHAN. Yes, Senator. Actually I probably—I do not have anything new either, but just to say that these are critical functions. They are very interesting and a new area for me to see as

coming back into government to see the role of women involved out in the field, and they are doing a great job, and extremely important for our ability to interact across the entire—the society there with the women in the villages and very important. I don't know if, Garry, you can articulate it a little bit deeper.

Mr. REID. Well, the most obvious value is their ability to interact with Afghan women and break down—maybe “break down” is not the right word—overcome the cultural barriers that exist to where an Afghan woman, it would be inappropriate for her to approach a Western male, military person anywhere outside the village.

So, what we have learned over time, and the services have done the same thing. SOF does not own this idea. Matter of fact, we may have gotten into it after the Marines and Army had done it as well, is these cultural support teams to engage with the women in the objective areas. It pays great dividends. There has been information that they were able to pass that they wanted to pass to somebody and did not have anyone to pass it to. But it also softens the hard edges of engaging with the military at all by having a woman to talk to, so to speak.

Senator HAGAN. But are all the village stability programs, are they utilizing women?

Mr. REID. They have access to them, but we do not have them in every location.

Senator HAGAN. Okay. Secretary Wechsler, I know that we have spent time talking about the counter threat finance. Can you take a moment to update the committee on the effort with regards to counter threat finance?

Mr. WECHSLER. Sure.

Senator HAGAN. And then, do you also have the legislative authorities to conduct the operations? And then if you could cite some examples.

Mr. WECHSLER. Sure. There are basically two categories. One is—and both of them are becoming increasingly important to the Department of Defense. One is inside war zones and one is outside war zones. Inside war zones, our experience in Iraq where we set up the Iraq threat finance cell, and our experience in Afghanistan where we set up the Afghan threat finance cell, has proved to—we have gotten great dividends from that, to bring together the right kinds of organizations, the right kinds of people from across the interagency to understand the financial infrastructure, the financial order of battle, of our adversary, and to use that information to disrupt them both on a tactical level, integrated into our operations, and then on a more strategic level, to even influence where we put forces at what time during the year, to go after our adversaries' financial revenue streams.

Outside the war zone, we find that it is equally important for the Department of Defense to support other agencies in bringing the unique tools—analytical tools and also defense intelligence tools to the table to break down the walls between law enforcement on one hand and intelligence on the other hand, to make sure that all the information that the U.S. Government possesses can be used to enhance an analysis of our adversaries' financial networks that support them.

There are a great deal of examples that I could use to use good progress in this regard. Quite many of them, especially outside of the war zone, as I said, involve the use of other agencies' authorities. One that I will point out to you right now was very good work done by the Drug Enforcement Administration and also the Treasury Department to go after Lebanon Canadian Bank last year to use—to building on a DEA case or set of cases, which identified drug trafficking from Latin America through West Africa into Europe, the money for which was mixed in with used car sales from the United States that were brought to West Africa. The money then was used to buy goods, knock off goods in China, to give money back to the people in South America who are producing the cocaine. A global network of money laundering, all managed and controlled by someone associated with the Hezbollah, and a lot of the money that was there went for Hezbollah.

The Department of Defense does not have the tool set, and should not have the tool set, to go after it. We are not going to be bombing anybody in this part of the world. But the Treasury Department did, and used their authorities to do what is called a 311 designation against this bank. It was an immediate run on that bank. It was a short sale to Societe Generale. It ended up being an indictment in U.S. courts and a separate civil action for hundreds of millions of dollars in U.S. courts.

This is an example of how the entire interagency can get together to, first and foremost, use the techniques that we developed under counter threat finance to understand how the money is actually being moved by these kinds of adversaries, and, second, use the right authorities that are being applied for different—from different agencies to go after these in the right place at the right time. It is that kind of effort that we are building now and we see as a big part of our future.

The Department of Defense's role in these kinds of efforts are driven directly by the authorities that you have provided for the counternarcotics account, absolutely essential in doing so, the 1004 authorities, the 1022, 1021. We could not survive without them.

I do have to say, going to what Secretary Sheehan was saying, that many of these authorities over time were built up, you know, on singular lines of action, on narcotics, or on insurgency, or on terrorism, or on—and that is not how the world works. That is not how our adversaries work. As you see in this example, it was narcotics. It was used car sales. It was knock off goods. It was money laundering. It was all of these things together all to support a terrorism organization. And that is the way the world is. That is the way our adversaries are. And so, we work through the authorities that we have with the level of flexibility that they have, and the limitations that they have, in order to work across lines through the interagency.

Senator HAGAN. That is an excellent example, and I know that the funding of terrorism and the transnational organized crime is certainly in many, many different areas. But there is also a specific fundraising season for terrorism. What are our specific goals to combat—how are we combatting their fundraising, and really trying to get to the point where the people who are funding that are no longer able to do so, or no longer have the willingness to do so?



Mr. WECHSLER. Sure. I like to think of three different types of funding, and I think it is important. One is the old style of state funding. The second is what you are talking about, are people who are willingly giving funds that they think—that they know or they think might support a terrorist organization because they are ideologically or religiously driven. And the third type of funding is when their people do not even know that they are involved in it, but the terrorist organization has developed both illicit and sometimes licit business and criminal organizations to fund themselves so they do not even need people to be willingly funding them. So, we need to have operations that go after all three types of funding.

On the second part that you talked about, the State Department is really in the lead of trying to combat violent extremism and work with our friends and partners around the world to ensure that they have the programs domestically to both publicly discourage, to bring religious edicts against, and have the law enforcement intelligence operations to disrupt the fundraisings that do have an annual cycle in some part of the world.

Senator HAGAN. And how do you think that is working?

Mr. WECHSLER. I think in some places it is working quite well. I think that, for instance, against al Qaeda proper, we have had quite significant success on the financial networks at large over the years. There are other places where, as my example show, they have adapted to some of the efforts that we have done to come up with new, very complicated, and, in many cases, very sinister techniques to diversify their financial streams. And we have to go after those.

Senator HAGAN. Never ending. Over the past decade, given the increasing threat to security and the numerous challenges facing law enforcement institutions, many militaries in Latin America have been called upon to play a larger role in their domestic security matters. What impact, if any, does this shift in the responsibilities of partner militaries have on the policies associated with our security engagement strategy, and any risk or opportunities this might present?

Mr. SHEEHAN. Yes, Senator. I think most of the time, militaries are reluctant to get involved in the domestic issues, whether it is counternarcotics or even insurgency in some ways. They are somewhat reluctant. They would much prefer to be defending the homeland, which is what they are often trained to do. But nevertheless, their national command authorities ask them to do things that sometimes they do not want to do. And so, they are increasingly and have been increasingly involved in internal issues and law enforcement issues.

And we in the Department of Defense need to look across, when we look at a country, we look at the different institutions that are working the problem, and we will need to work with both of them, both the military and the ministries of interior.

One of the concerns for the defense ministries is obvious, and they see what happens is that the interior forces, the police forces become corrupted when they deal with narcotics trafficking organizations or criminal organizations. And so, when we work with their ministries of defense, we also have to be very mindful, and it is something that we do not always do, and it is not something that

we always think of in the first order, about how corruption can impact defense ministries when they start to deal with these types of organizations, the amount of money involved.

So, I think when we look for our solution set with the ministries of interior and defense, this is one of the most fundamental issues.

Senator HAGAN. Mr. Reid, do you have anything to add to that, and, Mr. Wechsler.

Mr. REID. I would just add that where it would be appropriate in engaging with these countries on these issues, that some of it can go back to these authorities questions that we keep bringing up about having the flexibility, under the appropriate circumstances, to where we can demonstrate agility and take advantage of opportunity. And it may be an opportunity that would help steer that country back in the direction that in our interest we needed them to go, or for an opportunity to have some engagement. So, that would just be my only addition to that.

Mr. WECHSLER. The only thing I would add is that we sometimes need to avoid—we in the United States need to avoid the impulse to project our systems on other countries. Sometimes there are other countries that might use the military in a different way than we would use the military, and that is not inherently improper, you know, in their system.

The other thing that I would suggest is that sometimes we make the mistake of not recognizing how challenging a situation is to afford military, therefore, internal defense needs. And that is why they are using the military. In some of these instances, if the same things were happening in the United States, we would be using the National Guard; they would be far beyond what local and State law enforcement could deal with. And that is—those are the situations that foreign countries find themselves in when they employ the military in these circumstances, and I think we need to understand the reasons they do so.

Senator HAGAN. Secretary Sheehan, we—in some of our questions, you highlighted the need for further intel coming in from Iran. Do you see other countries around the globe where you also feel that we need further intelligence than we are getting right now?

Mr. SHEEHAN. Well, Senator, I think you can never have enough intelligence. I have never dealt with a problem or issue where you had complete visibility of all the problems that you face.

So, I think that in terms of counterterrorism, I think that we follow the threat, and wherever the threat is, we want deeper levels of intelligence. So, right now, our priorities are right where the enemy is on the Pakistan-Afghanistan border area, in Yemen, and increasingly in Africa. I think we are going to have an intelligence challenge there to make sure that we try to stay ahead of the terrorists and identify these cells as they develop, these networks as they develop, so that we can crush them before they have the ability to strike us.

So, I would follow the threat line, Senator, and just keep working it. We never have enough intelligence.

Senator HAGAN. Once again, in his posture statement, Admiral McRaven highlighted the potential of high definition video equipment for intelligence surveillance and reconnaissance missions.

Can any of you describe to me your assessment of this high definition ISR capability?

Mr. SHEEHAN. Yes, Senator. In my view, from what I have seen in a couple of different operations over the last few months, that the high definition capability is a game changer for decision makers because the degree of clarity that it provides to the decision maker about certain situations provides a higher degree of confidence in making a decision regarding the use of force, and trying to minimize collateral damage. It is something we always strive to do, not only for humanitarian purposes—we do not want innocents killed or hurt—but also for political purposes. It can strain our flexibility when there is excessive collateral damage, so that the high definition provides that capability. And it is something that we are working in the Department right now, and I think we are going to get the right answers there because everyone understands that it truly is a game changer.

And we are going to keep moving forward on to—and, again, thank you to the technology and the developments of the private sector, extraordinary in providing a greatly enhanced capability for our forces.

Senator HAGAN. What are you doing as the Department to field these additional capabilities in this area?

Mr. SHEEHAN. Well, Senator, we are working with the private sector to get these built and brought online, and getting the funding online, and bring them into the force. And I think we have a good plan to do so, and I think we are going to get there. And it is just a matter of getting the funding lined up, getting industry to keep cranking these things out, and deploying them into the field. It is really extraordinary technology that—and we are going to get there.

Senator HAGAN. Are you concerned about a lot of this technology being made not in the United States?

Mr. SHEEHAN. Well, Senator, I think that obviously we would love to have it home grown, but we will take the best that we can in order to achieve our objectives, in order to get the bad guys. We will buy foreign, but obviously we would prefer U.S. But I think most of it is American, I understand, so I think I am almost sure almost all of it is. I am not aware of that much of it being done overseas, but I think most of it is American made.

Senator HAGAN. Mr. Reid, any comments on the capability?

Mr. REID. No, nothing in addition.

Senator HAGAN. Okay. Just a few more questions, and I know we are running out of time. What do you believe are the most important lessons learned from this collaborative interagency efforts for counterterrorism operations in Afghanistan and Iraq and elsewhere? And then, how do we best institutionalize these lessons learned for future counterterrorism operations? Sort of a wrap-up.

Mr. SHEEHAN. From Iraq or Afghanistan?

Senator HAGAN. Both.

Mr. SHEEHAN. From both.

Senator HAGAN. Mm-hmm.

Mr. SHEEHAN. Well, I think the first thing was that we had to—when we went into Iraq and Afghanistan, in some ways unfortunately we were learning on the run, and we were picking up dust-

ing up old counterinsurgency strategies and trying to employ them in both Iraq and Afghanistan. And I think we have learned a lot over the years about the complexity of counterinsurgency operations, how it needs to be coordinated, an interagency effort, how the political supremacy of counterinsurgency is always fundamental, that the military strategy follows behind that, that it is a—that those types of issues are fundamental to our lessons learned.

But I also believe from the special operations forces that we—I am not so sure there are as many lessons learned as that we have honed sets of skills that are extraordinarily well developed over the past 10 years, both in the direct and the indirect areas, both in terms of our kinetic operations against terrorists, which is really an incredible fusion of intelligence and then precision strike, that we have developed a tremendous capability there. And it continues to evolve.

On the other side of the coin is the advise and assist mission, and there, again, a traditional SOF mission, perhaps one that was not—that was focused in certain geographic commands prior to 9/11. Now it is one that is embraced by all of our special forces groups, including the SEALs as well, to understand the importance of not only having highly skilled warriors, but the ability to then work with the host country, transfer those skills to them so that they provide security for their country.

So, I think for the special operations community, it is a matter of retaining those skill sets that have been developed so tremendously over the last few years. And then applying those appropriately and differently to each theater as we look around the world for opportunities to protect our interests with those types of skill sets.

Senator HAGAN. Let me do the final question having to do with Pakistan. You have mentioned Pakistan quite a bit today. And in the June 2011 National Strategy for Counterterrorism, it stated that our goal of defeating al Qaeda and Pakistan can only be achieved through a sustained partnership with Pakistan. What is the current status of the Defense Department's efforts to partner with Pakistan to defeat the threat from al Qaeda on Pakistan's territory?

Mr. SHEEHAN. Well, Senator Hagan, it is perhaps the most complicated relationship we have in the world right now, the U.S.-Pakistani relationship. Obviously you have probably seen in the press reports of the new parliamentary decisions that are made that are going to further complicate our ability to work with the Pakistani Government.

But I would say this, that we have no choice but to work together, and I think we will. It is a very troubling and can be so frustrating in dealing with the Pakistani Government on so many levels. But at the end of the day, we are going to find confluence of interest, and we are going to work together best we can and get these issues resolved. And, quite frankly, also at the end of the day, the President is going to do what he has to do, and unilaterally. And so, and he will always protect that prerogative to protect the security of the American people and our interests.

But hopefully we will be able to work together and find some common interests. And I think sometimes it is actually a mixed

story. Sometimes it looks worse than it is, and actually we are making progress, and then sometimes I read other things that show it is even worse than I thought it was. And so, it is so troubling and complex, but nevertheless, they are there. They are sitting on top of our adversary, and we are just going to have to work through this issue indefinitely. And we are going to have ups and downs, and a lot of downs unfortunately in the months ahead.

But I think at the end of the day—I have been working with the Pakistani Government. I remember sitting with them prior to September 11, after September 11. They have a different view of what is happening in Afghanistan. They have a different view of their interests. They have an addiction to playing around with militia groups to achieve certain interests, particularly vis-a-vis India, that gets them in all kinds of trouble. We have had these conversations with them forever about that. I do not see that changing. I do not see any set of talking points that is going to be delivered by some new diplomat that is going to change their mind. It is the way they view the world. We have to understand the way they view the world and try to work through it.

And it is not going to be easy, but I think at the end of the day, we have been successful in the FATA in degrading al Qaeda over the last 10 years, despite all these problems. And I think that we are going to continue to work through it and hopefully, again, have another 10 years of success in degrading al Qaeda's strategic capability in the FATA and elsewhere.

And so, I remain somewhat optimistic, even with all the extent of these problems, that we are going to continue to pound al Qaeda so that they cannot attack us. And if we stay focused on that and not get discouraged with all the other political drama, we can keep a level of optimism moving forward. And sometimes I think that is important because we can beat ourselves to death about all the different problems we have, but at the end of the day, we have been successful, and hopefully we will be able to continue that.

Senator HAGAN. Thank you. And due to the lateness of the hour, we will adjourn this hearing. And I do appreciate the testimony and the time that all of you spent preparing for this and obviously being here today. So, thank you very much.

[Whereupon, at 4:41 p.m., the subcommittee adjourned.]