

Terrorist Networks in Pakistan and the Proliferation of Improvised Explosive Devices

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Thank you, Senator Casey, for the invitation to appear before the Subcommittee.

On behalf of Secretary Clinton and Ambassador Grossman, the Department appreciates the helpful role that the Subcommittee has played in drawing attention to important issues in South and Central Asia, and particularly your leadership in seeking solutions to the lethal problem of improvised explosive devices, or IEDs. Your previous travel to the region and your continuing conversations with Pakistani officials are important signals of Congressional attention to this matter.

Secretary Clinton has consistently emphasized the importance of decisive action against the IED threat in her conversations with senior Pakistani officials the past few years, as she did again last week in Brussels with Foreign Minister Khar. Ambassador Olson has also emphasized counter-IED efforts in his initial calls with Pakistani officials in Islamabad, noting the deep concern expressed by this Committee and the need for impactful action.

Over the past two years, we have worked aggressively to deepen our inter-agency cooperation to combat the IED assembly line, and so I am honored to be sitting alongside LTG Barbero of the Joint Improvised Explosive Device Defeat Organization, or JIEDDO, with whom the Office of the Special Representative for Afghanistan and Pakistan has had the pleasure to work closely on behalf of our forces in the field.

This hearing, and its focus on the role that terrorist networks play in the proliferation of these weapons, is critically important. These devices are supplied through a complex, global network of both legal and illegal activities into Afghanistan from neighboring countries, including Pakistan.

As we have better understood how we might disrupt the flow of the material and financial resources that go into the making of these bombs, we have increasingly focused on how to disrupt and degrade the network at multiple nodes. It is not enough to single out a lone precursor chemical or a single individual. These transnational networks are too resilient and diverse for that approach. We must use all the tools available to us and partner with those who share our interest in stopping these supply chains, and build capacity for further action.

As you know, IEDs are responsible for the majority of coalition fatalities in Afghanistan. IEDs are also responsible for significant death and injury among Afghan civilians, government, and security officials. The police chief for Nimroz province was killed by a roadside bomb on Monday morning of this week. I would emphasize that as the transition

to full Afghan security responsibility continues, this threat will continue, and we have a clear interest in ensuring that the Afghan government and security personnel are able to protect themselves and their people from these devices.

It is important to recognize the work being done by Afghanistan, with our support, to address the threat of IEDs and prepare for the full transition of security responsibilities by the end of 2014. In June of this year, President Karzai signed a National CIED strategy. Since then, the working groups for the five pillars of that strategy (Security, Rule of Law, Diplomatic Engagement, Governance & Engagement, and Public Awareness) have met and are developing engagement plans. Alongside the training and equipping of the Afghan National Security Forces, U.S. Mission personnel in Kabul are working closely to support border capacity, rule of law, and other essential components of a comprehensive national effort. Afghan officials deserve credit for increasing numbers of seizures of IED making material.

What is also clear is that the IED is an increasing threat to Pakistani law enforcement, security, and civilian personnel. Suicide bombers killed six people at a police station in North Waziristan on Monday of this week. IEDs are a threat to the stability of Pakistan, and we have an interest in helping the Government of Pakistan meet this challenge. It is on this basis, of a common understanding of a shared threat, that we believe the best prospects for cooperative, meaningful action exist.

Engaging the Government of Pakistan

As we have worked to address the supply chains that bring lethal aid into Afghanistan, we were constrained by the overall U.S.-Pakistan relationship in 2011. It is well documented that 2011 was a difficult year in the U.S.-Pakistani relationship. While we continued to assert the need for aggressive action against the IED supply chain in conversations with Pakistani officials during that time, it was difficult to make progress on this front absent progress on the broader bilateral relationship.

Following the opening of the Ground Lines of Communication (GLOCs) into Afghanistan in July of this year, the U.S. and Pakistan agreed to restart a limited number of suspended working groups. We prioritized groups where our core interests were at stake, and where we saw potential shared interests with the Government of Pakistan.

Counter-IED efforts were identified as a top priority, and the first working group to meet following the opening of the GLOCs was a Law Enforcement and Counter Terrorism Working Group, on October 5 in Washington, focused on IEDs. We appreciate that Pakistan's Interior Minister, Rehman Malik, made the trip to co-chair the meeting with Assistant Secretary of State William Brownfield. The working group identified near-term, specific actions for each side, on which we could measure progress in a limited window of time. One recommendation called for closer Afghan-Pakistani cooperation on the CIED issue; and I am pleased that a tripartite meeting of U.S., Pakistani, and Afghan officials, met just over a month later.

The Pakistani Government repeatedly emphasizes the threat IEDs pose inside Pakistan, and there is increasing public acknowledgement of the threat posed by shipments that are smuggled across the too porous Afghanistan-Pakistan border. In the recently concluded Defense Consultative Group meeting, in Islamabad earlier this month, the Pakistanis produced a comprehensive review of the threat IEDs pose to their interests, as well as actions that they have taken to attack networks that supply these devices. We believe it is imperative to build on this shared understanding to overcome differences and mistrust, and find meaningful ways to lower the risk to our personnel in Afghanistan.

IED Precursors

To attack these networks, we believe it is important that we look at the entire supply chain, including the full range of precursor chemicals and other required IED components. There has, and must continue to be, a great deal of attention paid to Calcium Ammonium Nitrate, or CAN, a fertilizer produced in Pakistan and used legally for agricultural purposes in Pakistan. Afghanistan, as this committee knows, outlawed CAN in January 2010. However, CAN continues to be smuggled into Afghanistan across the border in large quantities, and homemade explosives based on CAN remain the most frequently deployed charge in Afghanistan.

We now also have better understanding of the role played by potassium chlorate, which is not produced in but is trans-shipped through Pakistan and possibly Afghanistan's other neighbors, and is increasingly found as the main charge in IEDs in Afghanistan's Eastern provinces. Potassium chlorate is a legal product in Pakistan, and has numerous valuable commercial uses. We begun discussions with suppliers and the Government of Pakistan to address vulnerabilities in the supply-chain and ensure appropriate end-user verification for shipments of potassium chlorate.

Similarly, conventional explosives and certain electronic components are critical to the construction and deployment of IEDs. We must continue to identify how and where these materials are diverted out of legal supply chains and into illicit networks.

U.S. Government Actions

The U.S. has taken a number of steps to advance our CIED objectives. We have completed a public awareness campaign inside Pakistan, designed to heighten public knowledge of the threat posed by IEDs and the terrorists who deploy them, and we are working with the Government of Pakistan on the next stage of that campaign. One of the issues discussed at the recent Law Enforcement Working Group was support for Pakistan launching a national CIED tip line, as a tangible recognition of the national threat these devices pose, and we look forward to helping the Government of Pakistan implement that effort.

Through close interagency cooperation, we have pursued designation of key individuals in the network, under U.S. law as well as through the UN Security Council. In 2012, Treasury has designated pursuant to Executive Order 13224 on terrorism two individuals, Abdul Samad Achekzai and Maulawi Adam Khan Achekzai, for their role in facilitating Taliban IEDs. Samad was also designated by the UN Security Council's 1988 Committee. It is important to note that in 2012 and 2013 Pakistan serves as an elected member of the Security Council, and therefore agreed to these designations. In all, Treasury has designated 15 individuals and three hawalas associated with the Taliban and six Haqqani Network (HQN) officials pursuant to E.O. 13224; and one Taliban Commander pursuant to the Foreign Narcotics Kingpin Designation Act.

We have coordinated closely with our international partners in Afghanistan, including the UK and Australia, who are also engaging the Pakistani Government on these issues and are providing critical capacity building support. Our partnership with Allies emphasizes complementarities and seeks to leverage different relationships.

We have also continued to support international efforts to address the threat in the region. The State Department has worked cooperatively with the Department of Homeland Security to support and fund the World Customs Organization's Project Global Shield. This program brings together the expertise of the World Customs Organization, Interpol, and the United Nations Office on Drugs and Crime to monitor the trade flows of 14 precursor chemicals, including ammonium nitrate.

Project Global Shield is in an international effort to raise awareness of the lethal effects of diverted trade flows and improve the ability of customs and border officials in Afghanistan, Pakistan, and the Central Asian states to identify and seize the precursor chemicals smuggled across the borders and used in the manufacture of IEDs. As a measure of international attention on this growing threat, ninety-three of the WCO's 178 member states are now participating in Project Global Shield. This collaborative effort has resulted in 49 seizures of IED precursors, including more than 140 metric tons of seized CAN, and forty-two law enforcement actions.

Translating Commitments into Action

Overall, it must be said that Pakistan's efforts to combat IEDs, while now going in a constructive direction, remain incomplete. The strategy that was discussed here in this committee more than two years ago has not been fully implemented, nor incorporated into legislation. In some cases, there have been notable regulatory changes, though enforcement remains inconsistent, at best. There are, as the Pakistanis point out, good reasons for this – particularly a lack of capacity, equipment, and training. We continue to work with the Government of Pakistan on ways in which we can remove obstacles to implementation.

In recent months, we believe there has been a substantive change in the tone and content of the discussion with Pakistan as we work to put our relationship on surer footing. There

have been noticeable and tangible steps forward. There is now a readiness to engage at many different levels, both in military and civilian channels, and the Pakistanis have taken several important steps over the last year, including:

- The Government of Pakistan has assisted, through the UN Security Council, in the designation of key IED facilitators.
- Over the past year, the Pakistani military has conducted eight operations against suspected IED manufacturing facilities along the border. There have been notable seizures of IED precursors in at least January, May and December of this year.
- Embassy Islamabad reports greater cooperation with Pakistani law enforcement counterparts in the field and increased information sharing, including regular meetings of action officers to coordinate CIED efforts.

We strongly support these and other steps and will evaluate their effectiveness based on whether they contribute to diminishing the threat in the field.

CIED Support

We are prepared to use the resources made available by Congress to help the Pakistanis address the IED problem. In response to challenges of the last year, we calibrated our security assistance, slowing execution. Since 2009, State and DoD provided approximately \$113 million in Pakistan Counterinsurgency Capability Fund (PCCF) and Pakistan Counterinsurgency Funds (PCF) to support Pakistan's CIED efforts, including for forensic and detection kits, jammers, and mine resistant vehicles. Some of these items are pending delivery, as we work with Pakistan to identify appropriate units, consistent with our assistance requirements.

In the wake of the Defense Consultative Group (DCG) meeting last week, we anticipate that the time required for delivery of security assistance, including CIED equipment, for Pakistan will improve. The Pakistanis emphasized at the DCG their priority for CIED force protection equipment. Subject to Congressional notification, we anticipate using approximately \$135 million from the Fiscal Year 2012 PCCF appropriation to support CIED efforts in Pakistan. Such an outlay would represent a significant portion of the overall PCCF budget.

Consistent with the legislative language included in the Fiscal Year 2012 State Appropriations, the Department has also worked closely with the Department of Agriculture to expand certain Agriculture Extension programs related to soil fertility in Pakistan. These programs are run extensively here in the United States, and elsewhere around the world, to teach farmers proper soil management, improve crop yield, and decrease reliance on fertilizers.

We are using all of our available and significant resources to address the IED problem, but appreciate Congress' support to provide flexibility in all assistance flows in support of this effort.

Priority Actions

The consensus of key stakeholders that look at this very difficult challenge is that we must continue to assertively press the Pakistani Government to act, on the basis of an increasing understanding of a common threat. We must test the positive change to the relationship in recent months, as we press for action to defeat the network. It is also our belief that sustained Administration and Congressional attention on this matter has made a difference in the Pakistanis' approach. We will continue to press for specific and continuing progress in a few key areas.

-- First, we will support joint Afghan-Pakistani initiatives, particularly at the border and with an emphasis on interdiction. As demonstrated by the recent tripartite meeting, the U.S. has the ability to facilitate information sharing between the parties. At the same time, we believe it is important that these meetings include civilian personnel from all sides, to ensure whole-of-government efforts.

-- We believe it is important that the Pakistanis prosecute individuals for IED related activities. We note that there have been a number of important arrests in recent months, but we support Pakistan's efforts to seek prosecutions in these cases.

-- We expect continued cooperation from Pakistan for UNSC designations against those involved in supporting the insurgency in Afghanistan, and we would expect a full conversation with the Government of Pakistan regarding implementation of UN sanctions against those already designated.

-- We will continue our conversations on how to further strengthen Pakistani banking supervision and regulation, particularly in the border areas.

-- In addition to the greater Afghanistan-Pakistan cooperation noted above, we have supported efforts at regional cooperation, including the Istanbul Process, where the governments of the region are looking at potential cooperation in a broad range of areas. This regionally-led initiative provides a vehicle for a truly regional conversation, something for which the Government of Pakistan has called.

-- And we will continue to broaden the dialogue beyond governments. We applaud Pakistani private sector interest in engagement with industry organizations and international associations for the purpose of learning and implementing best practices, including in supply-chain management. As global awareness of the IED threat deepens, there will be focus on what Pakistani industry, including fertilizer and commercial explosives manufacturers, are doing to protect against diversion. JIEDDO has made its significant expertise available to increase the fertilizer industry's awareness of the misuse

and to encourage greater end-use controls and other measures to diminish the utility of their product for illicit purposes.

Despite increased cooperation and emphasis by both the Governments of Pakistan and Afghanistan, and our own sustained, concerted efforts, IEDs remain a principle threat to the security forces and the civilian populations of both countries. This is not likely to diminish in 2013 and will require the continuation of robust counter-IED programs and adroit diplomacy.

Mr. Chairman, we look forward to continuing to work with you, your office and this Committee on the important issue in the months ahead. And I look forward to taking your questions today. Thank you.