

YEMEN ON THE BRINK: IMPLICATIONS FOR U.S. POLICY

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WITNESSES:

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REP. BERMAN: (Sounds gavel.) The committee will come to order. In a moment I will recognize myself and the ranking member for seven minutes each for purposes of making an opening statement. Without objection, all other members may submit opening statements or additional materials for the record.

Before we get to the statements, let me take a moment to inform my colleagues about some upcoming committee hearings and other events. We're still trying to deal with the next week's hearing and the administration's ability to testify at a Haiti hearing versus all the other things they have to do in terms of Haiti. But on Wednesday, February 24th the committee will host members of the Russian Duma Foreign Affairs Committee for a series of meetings on key issues, including Iran, regional conflicts, arms control, trade and energy.

The following day we will welcome Security of State Clinton for her annual testimony on the International Affairs Budget, that will be February 25th. In the near future we're hoping to hold hearings on a number of other topics, including the upcoming non-proliferation treaty review conference, export controls and foreign assistance reform. And now I'll yield to myself; I'm going to abbreviate -- (Off mike.)

With so many pressing issues in the Middle East, the country of Yemen has received relatively little public attention since the October 2000 bombing of the USS Cole. But all that has changed in the last three months. On November 5th, 12 brave soldiers and one Army civilian were brutally gunned down at Fort Hood, Texas by an Army psychiatrist with links to a radical Yemeni-American cleric. And on Christmas day, a young Nigerian man who had plotted with al Qaeda operatives in Yemen tried to bring down Northwest Airlines Flight 253.

Even before these heinous acts, the Obama Administration recognized that Yemen should be a much higher priority, and took steps to more than double U.S. economic and military assistance to that country. Today's hearing will focus on the numerous challenges that endanger Yemen's domestic stability and regional security. These include the presence of al Qaeda in the Arabian peninsula, religious and tribal conflict, separatist movements, dwindling natural resources and a failing economy.

I'm going to try to abbreviate part of my opening statement because we do have two panels today. Yemen is rich in culture, history and geographic beauty, but is also the poorest

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country in the Arab world. Yemen's oil, which provides the government with 75 percent of its income, is quickly running out. An even more precious liquid, water, is also quickly running out. Yemen could, in fact, become the first nation ever to exhaust its fresh water supplies.

And then there's the pervasive use of khat, a narcotic plant that produces feelings of euphoria and stimulation, but ultimately undermines individual initiative. It's sort of like being in Congress. (Laughter.) The overwhelming majority of Yemeni males are known to chew khat, and for many it is daily habit. Khat production may use as much as 40 percent of water resources consumed by local agriculture. The most immediate threats to Yemen stability are the ongoing civil war against Houthi rebels in the north, a rejuvenated secessionist movement in the south, and a resurgent al Qaeda.

The Houthi rebellion, which began in 2004, spilled across the border and has engaged Saudi Arabia's military forces since November. The more unstable Yemen becomes, the more likely it is that terrorism will thrive there, threatening U.S. regional interests and our homeland. After years of tepid bilateral relations, now is the time for the United States to engage Yemen comprehensively.

President Obama is working with the Yemeni government and others to aggressively pursue terrorists, but a policy of counter-terrorism and isolation will not suffice. Yemen's deteriorating security is intimately linked to a host of political, economic and social problems. This hearing provides an opportunity to ask some key questions. How important is Yemen's stability to U.S. interests and U.S. security? Is Yemen on the brink of becoming another failed state, and what, if anything, can the United States do to tip the balance in the right direction?

To help us answer these questions, we have two panels of distinguished witnesses, whom I will introduce shortly, but before I do, let me turn to the ranking member, Ileana Ros-Lehtinen, for any opening remarks that she'd like to make.

REP. ILEANA ROS-LEHTINEN (R-FL): Thank you so much, Mr. Chairman. As always, thank you for holding this hearing, and thank you for agreeing to the minority's request that we have a government panel and invite administration witnesses to address the critical issue of U.S. policy towards Yemen.

I would note that U.S. participation in last week's Yemen's conference in London, and would be interested in hearing about the outcome of that important conference. We also look forward to receiving more detailed information on the overall strategy to address the challenges in Yemen and other Jihadist nests, as a basis and framework for such a strategy was provided by the Congress through the Terrorist Sanctuary's provisions of the Intelligence Reform and Terrorism Prevention Act of 2004.

This provision focuses on situations involving a government that either expressly consents to the use of its territory to be used by Jihadists or with knowledge allows, tolerates or disregards such use of its territory by Jihadists and other global extremist groups. While Yemen may not yet meet that threshold, it is unfortunately coming dangerously close. It is no accident that al Qaeda has found a home in Yemen.

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Akin to Afghanistan and Pakistan, the central government does not control of tribal areas of Yemen, its borders, or in some cases, its population centers. Like other countries in the region, a small group controls most of Yemen's wealth, which relies on oil revenues. However, Yemen's oil revenues are rapidly diminishing, compromising the ability of that small group to buy off tribal and commercial interests there.

Like Saudi Arabia in 2003, Yemen hosts many radical clerics who promote jihad. A substantial separatist undercurrent has also emerged in the wave of demonstrations sweeping southern provinces through -- from 2007 through 2009. As protesters and government escalate in both violence and rhetoric, the southern movement has become increasingly isolated from northern society, threatening further instability.

These risks will increase as oil production continues to fall, as revenues from oil sales provide the foundation for the patronage system holding the country together. As the chairman pointed out, the ongoing Houthi Rebellion has again flared, with Yemenis accusing Iran of interference. The potential for this to spiral out of control cannot be understated or underestimated.

Combined with additional local conflicts, many fear that Yemen will continue to dissolve into semi-autonomous regions amid various insurgencies which reinforce each other. The U.S. and other leading aid donors and the World Bank have provided significant direct development aid to Yemen over the past decade; over 300 million in fiscal year 2008 alone.

Other donors have provided additional assistance, but throwing more money at the problem has not improved the situation. The U.S. has also increased military and intelligence support to the weak Yemeni government and its leader over the past several months as al Qaeda in the Arabian Peninsula has grown bolder.

For years, Yemen has established a pattern of appeasement with al Qaeda elements and has refused to keep wanted al Qaeda operatives and associates jailed or to transfer them to the U.S. Many of these militants initially protected the state from attack by al Qaeda; however, according to U.S. intelligence officials, al Qaeda is now targeting the Yemeni state as well as U.S. and other foreign targets inside and outside Yemen.

And there's an interesting article in the L. A. Times by Greg Miller entitled "Yemen Group: A Top U.S. Worry." And he says Director of National Intelligence Dennis C. Blair told a Senate panel that American spy agencies have intensified surveillance of the al Qaeda affiliates' operations amid concerns that the group, once considered a regional menace, is focused on the recruitment of westerners and other individuals with access to the U.S. homeland.

In light of these developments, I would ask our administration panel: Has the government of Yemen changed its strategic calculus? Its mindset about al Qaeda and other jihadists? Do we now have a true partner in fighting this threat?

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There have been numerous reports of Afghan and Pakistan Arabs returning to Yemen, penetrating political, security, tribal, and religious institutions. Former Guantanamo detainees released by the U.S. pepper the high-level and mid-level ranks of al Qaeda in the Arabian Peninsula and constitute elements of its operations in Yemen and beyond.

Last month, after bipartisan pressure, the Obama administration agreed to stop returning detainees to Yemen; however, this is far too little. We need a coherent policy and a strategy now, before Yemen deteriorates to the point of no return and further used as a launching pad or a staging ground for attacks against our nation and our interests abroad.

Thank you, again, Mr. Chairman, for the time and the hearing.

REP. BERMAN: Thank you. And now to introduce our first panel.

Ambassador Jeffrey Feltman is the assistant secretary of State for Near Eastern affairs. A career member of the Foreign Service since 1986, Ambassador Feltman previously served as principal deputy assistant secretary in the Bureau of Near Eastern Affairs, and before that, as U.S. ambassador to Lebanon.

Prior to his assignment in Lebanon, he headed the Coalition Provisional Authority's office in the Erbil Province of Iraq.

Ambassador Robert Godec is the principal deputy coordinator for counterterrorism in the Department of State. From 2006 to 2009, Ambassador Godec served as U.S. ambassador to Tunisia. He has also served as deputy assistant secretary in the Bureau of Near Eastern Affairs and was deputy coordinator for the transition in Iraq.

Secretary Feltman, we look forward to your testimony.

MR. FELTMAN: Chairman Berman, Ranking Member Ros-Lehtinen, members of the committee, thank you very, very much for holding this hearing and inviting Ambassador Godec and me to appear before you today.

We look forward to working with this committee in efforts to address the many challenges Yemen faces that were outlined by the chairman and the ranking member's opening statements. We'd like to submit a lengthier testimony for the record in which we'll detail some of these challenges, the threats to --

REP. BERMAN: Your entire testimony will be included in the record.

MR. FELTMAN: Great.

Last week, I was in London at the meeting that Ranking Member Ros-Lehtinen mentioned with Secretary Clinton. This meeting focused on many of the issues and challenges that we'll be discussing today. The United States, the United Kingdom, our Arab partners in the Gulf, the Yemeni government, and other international partners reaffirmed our shared goal of a peaceful, prosperous, and united Yemen. The meeting also marked the

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launch of a process, a process that will continue to coordinate international efforts to Yemen in the future.

And I'd like to make four points in the opening statement and then look forward to answers any questions that the committee may have.

The first point, as Chairman Berman said, is that Yemen has been a top U.S. foreign policy priority since this administration took office one year ago. Given the gravity and the complexity of the situation in Yemen, the Obama administration launched a full-scale policy review shortly after coming to office, recognizing the increasing importance of dealing with Yemen in strategic, not just tactical terms.

The resulting strategy is twofold: bolstering and supporting Yemen on the security side, and promoting good governance and development on the socio-economic and governance side. We believe that focusing on one dimension at the exclusion of the other is simply not going to work.

The attempted terrorist attack on Christmas Day served as a wake- up call to some regarding the apparent growing capabilities of al Qaeda affiliate in Yemen to carry out attacks beyond the Middle East. But it confirmed what many of us have known for years: militant extremists in Yemen are able to operate in the unsettled environment there, and they threaten U.S. national security as well as Yemen interests as well as interests of key allies.

With the support of this committee and Congress, we have been steadily ramping up security development assistance since fiscal year 2008. Recognizing the toxic effect of deteriorating governance and human rights protections and stagnant development, the United States government has developed an assistance strategy that will take aim at Yemen's social and economic challenges.

The second point I would like to emphasize is that we are not alone in engaging Yemen to improve the situation there. The international community, and particularly Yemen's neighbor states, is well aware that it must help Yemen address its security and economic challenges both in the short and the long term. And I think that the London meeting illustrated that commitment.

We will continue to coordinate closely with other countries to work with the government of Yemen to bolster its ability to deliver services to its people, to fight corruption, and to confront a threat posed by al Qaeda and other violent extremists.

Third, picking up on some points that Ranking Member Ros-Lehtinen said, we are realistic about the capabilities of our Yemeni partner. The government of Yemen is beset by many, many challenges, including unrest in the south of the country and a violent conflict in parts of the north. The government's ability to provide services and exercise its authority is inconsistent over different parts of its territory.

Its track record on human rights, on governance, on anti- corruption also has been wanting and is in need of intense focus and attention. In terms of the government of Yemen's determination and willingness to confront the threat of al Qaeda-related militants in

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the country, we should be -- and in fact we are -- encouraged by recent steps the government has taken.

Our partnership and support for Yemen's counterterrorism measures is not an endorsement of all the government's policies; in fact, we are supporting government reform efforts, education and training initiatives, and an emerging civil society in order to promote better transparency in governance, better human rights protection, and to ensure that the Yemeni people can participate in shaping and addressing national priorities.

We will continue to seek improvements in all of these areas, even as we help the government take on al Qaeda.

And fourthly, finally, I would like to emphasize the importance of your support and the participation of all U.S. government agencies in our pursuit of success in Yemen. As Secretary of State Clinton said recently, in states where the odds of succeeding may be long, quote, "the risks of doing nothing are far greater."

In Yemen the complexity of the economic, political and security situations truly require a whole-of-government approach to our policy. We cannot afford to neglect the experience, the resources or the leverage available across our government. Thank you, and I look forward to your questions.

REP. BERMAN: Ambassador Godec.

MR. GODEC: Chairman Berman, Ranking Member Ros-Lehtinen, distinguished members of the committee, thank you for the opportunity to appear today to discuss the challenge of Yemen, the threat of terrorism and the way ahead on U.S. policy. I join Assistant Secretary Feltman in asking that our joint written testimony be entered into the record.

REP. BERMAN: It is part of the record, without objection.

MR. GODEC: I would like to build on my colleague's statement and make three points:

First, the threat from al Qaeda in Yemen is not new, but it is clearly evolving. The presence of al Qaeda in Yemen goes back to before the U.S.S. Cole attack in 2000 when al Qaeda affiliates attempted to kill U.S. servicemen on their way to Somalia. The group has carried out a string of attacks on embassies, tourists, and the security services in Yemen in the past couple of years.

In August, 2009, the newly-established al Qaeda in the Arabian Peninsula, AQAP, launched a failed attack against the chief of counterterrorism in Saudi Arabia, and of course, AQAP has claimed credit for the attempt on December 25th by Umar Farouk Abdulmutallab to bomb Northwest Flight 253. This was the first time that an al Qaeda affiliate demonstrated the will and the capacity to attempt a strike on the continental United States.

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Second, well before December 25th the U.S. government was engaged in Yemen and, specifically, this administration has focused on Yemen since day one. The two-pronged strategy described by Assistant Secretary Feltman will help Yemen confront the immediate security threat posed by AQAP and will also address the serious longer-term political and economic issues and challenges that drive extremism.

This strategy requires full Yemeni partnership. It also requires close cooperation with regional partners and allies, and it requires hard work and American resources. The challenges are great and many, but the risk of doing nothing is grave.

With support from Congress, U.S. security assistance to and engagement with our Yemeni partners has increased in recent years. The Departments of State and Defense provide training and assistance to Yemen's key counterterrorism unit. Working with DOD, we currently give substantial Section 1206 counterterrorism assistance to Yemen. Through our Antiterrorism Assistance Program, we provide training to Yemen's security forces.

We're currently consulting with the Yemeni government in assessing Yemen's security requirements to identify opportunities to further strengthen Yemen's counterterrorism capacity. In the last year, senior administration officials have traveled to Yemen frequently -- General Petraeus, assistant to the president John Brennan, Assistant Secretary Feltman, and most recently, the coordinator for counterterrorism, Ambassador Dan Benjamin. All of them have stressed during their trips our deep concern about AQAP.

Our engagement is paying off. President Saleh and the Yemeni government have shown increased commitment to confront AQAP. In the past two months Yemen has conducted multiple operations designed to disrupt AQAP's operational planning and deprive its leaders of safe haven. Yemen has significantly increased the pressure on AQAP. It's carried out air strikes and ground operations against senior al Qaeda targets.

While these security operations are essential, delegitimizing AQAP also requires addressing Yemen's cycle of radicalization while we build Yemeni institutions. A key part of our work to disrupt, dismantle and defeat al Qaeda in the Arabian Peninsula is to assist the Yemeni people to build strong institutions and forge a better future.

Third, regional and international cooperation is fundamental to our security strategy. The threat of terrorism in Yemen is a common challenge. It is a problem that will require engagement with our partners, particularly those in the region. As Secretary Clinton has said, today's security threats cannot be addressed in isolation. Last week's London meeting, during which the international community reiterated its prior commitments to aid development and security, was a good start. Now we must follow up to build on the momentum.

Ultimately, the goal of U.S. and international efforts in Yemen must be a stable, secure and effectively governed country. It is the only road to success in our counterterrorism strategy. Toward this end, while we work with the Yemeni security forces, we will also assist the government and people to strengthen institutions, build infrastructure and deliver services. As the government of Yemen grows more transparent and responsive, and

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Yemenis find hope for their future, the seeds of extremism and violence will find less fertile ground and the threat of al Qaeda in the Arabian Peninsula will truly recede.

We look forward to continuing our work with Congress and this committee specifically as we refine and implement our strategy. I look forward too to your questions. Thank you.

REP. BERMAN: Well, thank you both very much.

I'll yield myself five minutes and begin the questioning.

The Ranking Member closed her opening comments with the question: Do we have a partner in the government of Yemen to confront and deal with al Qaeda in the Arabian Peninsula? Now, you've talked about some signs of improvement, a growing commitment. I guess two questions.

One, what are the -- what are the things that could threaten that continued commitment? Are we at the point where we can call it a partnership? And also, to what extent do the -- in Pakistan we have a sense these days that many different organizations, were it the Pakistan Taliban, the Afghanistan Taliban, Lashkar-e-Taiba, other groups that we consider terrorist groups and have a level of coordination and common purpose that they may not have had at the time of the -- along with al Qaeda -- have this level of coordination they may not have had in earlier years.

Or, is any of that taking place in Yemen -- with the Houthis in the North, the rebellious elements in the South, al Qaeda in the Arabian Peninsula? Is there any morphing of goals and tactics from any of these groups? So that's, I guess, my first two-part question.

MR. FELTMAN: Mr. Chairman, thank you.

The government of Yemen has been -- let's be frank, has been an inconsistent partner in the past on many of these issues, both on the security side as well as on the governance and development side. But we are -- but as both of our opening statements indicate, we've been, we've been encouraged by the determination that the government of Yemen has shown in the last couple months to take on the al Qaeda threat. We were also encouraged by the determination the government of Yemen showed at the London conference last week to tackle the development and governance challenges. We will stay engaged on all of these, mindful of -- mindful of the needs and mindful of the past.

In terms of your question about what would threaten the government of Yemen's determination to continue the fight with al Qaeda, I'll make a couple comments. First, as some of your own statements noted, the government of Yemen has been a victim of the al Qaeda presence in Yemen. So we see -- we believe that the government of Yemen fully understands this threat now, and that helps explain the determination that they're taking on.

But the Houthis in the North and the secessionists in the South are different from al Qaeda in that we believe that these are mostly local grievances. This is mostly based on local politics, long-standing grievances in the South dating back to the time of unification; long-standing grievances in the North. This is different from al Qaeda --

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REP. BERMAN: But that is the way it started out in Pakistan too.

MR. FELTMAN: And it also -- these conflicts have a risk of distracting the government from the al Qaeda challenges. One of the reasons why we have been calling for a cease-fire, we're encouraged by the fact that the Saudis and the Houthis seem to be deescalating their own conflict with the Houthis, declaring a cease-fire with Saudi Arabia.

We want to see a cease-fire in the north that leads to the type of political reconciliation that will address the grievances of the north and not make the Houthi conflict a distraction from the fight against al Qaeda.

REP. BERMAN: Let me just interject here, because I only have one more minute, and I do want to get this question out there for an answer.

The Yemeni government, backed by the Saudis, has made numerous claims that the Iranian government is militarily, financially and politically supporting the al-Houthi rebellion in northern Yemen. Many observers dispute this. Is there evidence that Iran is materially supporting the Houthis? What influence does the Iranian government have in Yemen?

MR. FELTMAN: We think at heart, at base, this is a local conflict. This is local grievances. We've heard the accusations. We're aware of the threat. We certainly are very aware of Iranian misbehavior in the region, places like Lebanon, Iraq, et cetera. But this is overwhelmingly a local issue. And we hope -- we have called for outsiders not to interfere. Let's see this solved locally.

REP. BERMAN: Anything to add, Ambassador?

MR. GODEC: Mr. Chairman, I would just --

REP. BERMAN: I have nine seconds, so --

MR. GODEC: -- say that I believe Assistant Secretary Feltman is exactly right in his remarks.

REP. BERMAN: Okay.

My time has expired.

The ranking member is recognized for five minutes.

REP. ROS-LEHTINEN: Thank you so much, Mr. Chairman.

I wanted to ask the excellent panelists about the budget increases that have been presented. It was just recently released, the fiscal year 2011 budget, and it increases assistance to Yemen \$106 million, more than six times the \$17 million that was spent in fiscal year 2008. Economic support funds are increasing almost seven-fold in just one year, from \$5 million in fiscal year 2010 to \$34 million for fiscal year 2011.

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So I wanted to ask about those numbers. First of all, can that be absorbed on the ground to accommodate such an increase in funding? Does the embassy have the ability to project its presence on the ground to implement this funding and this programming effectively? Also, how does the Yemeni government itself have the ability to absorb all of this increase?

And, related to that, what are the performance metrics? How do we judge success in how we're doing with this funding and programming? And lastly, what conditions are we placing on U.S. assistance to the government of Yemen, particularly regarding the implementation of its financial-sector and economic-reform program? So it's basically the budget, how it's going to be absorbed, how can we measure success of our funding, and of what the Yemeni government is doing.

MR. FELTMAN: Ranking Member Ros-Lehtinen, thank you.

I mean, I should say from the outset that there's no cash going to the government of Yemen. I think we all understand that. This is technical assistance. This is support. These are helping get services delivered to the people at the local level. But it's not a question of transferring cash to the government of Yemen.

In September, AID signed a new strategy, a three-year strategy with the government of Yemen, that has two pillars that get at some of the questions that you've asked. One pillar is called a communities livelihood program. The other part is national governance program. And it's getting at the capacity issues in both directions.

To the first part, the community livelihoods initiative, it's building capacity at the local level, helping get services delivered at the local level -- health, education, youth employment. How do you organize civil society, support civil society, so they can engage with their local officials, and at the national level, building capacity on budget transparency, decentralization, issues like this? So we're working both locally and nationally in order to build capacity to help the government of Yemen deliver services, create jobs, create economic opportunities.

It's definitely a challenge working on Yemen, for security reasons. But AID, U.S. State Department, other U.S. government agencies now have quite a lot of experience in dealing with these sorts of -- in dealing in insecure environments and how you deliver, monitor your assistance.

In terms of conditionality, I want to go back to the London conference for a minute, because this was a question that everyone had in London. It was conditionality and absorptive capacity. There were \$5.2 billion committed to Yemen a few years ago at a Friends of Yemen conference hosted in London. Most of that was coming from the Gulf. Most of that hasn't been delivered. And it hasn't been delivered because of questions of capacity, questions about conditionality.

So the international community is working together to address these, sending a unified message to the Yemenis about what we expect in terms of transparency, in terms of

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responsiveness to real needs, in terms of delivering services across the country, and a unified message in terms of help in building the capacity of the government.

So it's more than just the United States that are sending a message to the Yemenis about their need to deliver. It's all of us working together.

REP. ROS-LEHTINEN: Thank you very much.

REP. BERMAN: The time of the gentlelady has expired.

The chairman of the Middle East and South Asia Subcommittee, the gentleman from New York, Mr. Ackerman, is recognized for five minutes.

REP. GARY ACKERMAN (D-NY): Thank you, Mr. Chairman.

Wow. First, you talk about the risk of doing nothing. And I couldn't agree with you more on that. But I think, as we all know, there's a risk of doing everything. And it seems to me that we've been trying to do everything, everywhere, mostly by ourselves in a lot of instances. And we're starting to lack the resources or the ability or the will of the American people to do that. But you still can't do nothing.

But I think we should be looking at the problem of trying to do everything. This place -- I don't know if I would call it looking like it's going to be a failed state. I don't know that they ever got to the real state status in order to become a failed state afterwards. I can't remember when.

I mean, you know, you got the Hatfields and the McCoys. You got the Houthis and the whatevers, and you've got the separatists, and you have al Qaeda filtering or flooding in, depending on your perspective. And these people spend the afternoon getting away from reality by the whole country getting high, and, like, "Wow, we got no problems. Just we're running out of gas. We're running out of water. We have no resources of ourselves, so let's forget about it."

I think we have to look around in the neighborhood and try to figure out what we do to help. And, you know, there are the Saudis, who are unrealistic about the whole thing to begin with. I think -- and somebody has to tell our friends over there that they have to be part of the solution, the real solution, not just throwing some money into the thing. But maybe they should go into one of these airport machines and do a full-body scan and figure out that this place next door is really a wart that's on their butt. And they'd better do something about it, because it's starting to turn malignant. And I understand you could even spread it through someone else's underwear. This thing is highly problematic.

My question is, instead of looking -- or in addition to looking for allies within the government in Yemen, why aren't we doing more looking for allies within Saudi Arabia and getting them to focus not just on throwing a billion dollars and let's see what happens, but helping to provide some infrastructure, some technology, some help, some support, to try to build the place? Because it seems to me they're a heck of a lot closer than we are, and you

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don't need one of these long flights to mess up Saudi Arabia. And I think they really know that, but I don't think they're focused on real solutions.

Do we have a partner there? Can we spend more time walking them through what they should be doing or how we could help them do what they know they should be doing?

MR. FELTMAN: Congressman Ackerman, I don't have the solicitous turns of phrases that you do, but I will --

REP. ACKERMAN: Whatever that means, I take it as a compliment. (Laughter.) But maybe you could provide an answer in whatever terms --

MR. FELTMAN: But we agree with you. We agree with your basic point. The GCC countries, Saudi Arabia in particular, with the GCC as a whole, have vital interests in Yemen. They are the immediate neighbors of Yemen, and they have faced the immediate threats that emanate from Yemen. You know, Ambassador Godec mentioned the August attempted assassination of Deputy Minister of Interior Prince Muhammad bin Nayef in Saudi Arabia. And Saudi Arabia and the GCC have to be part of the solution.

Part of the discussions at the meeting in London last week was how do we initiate a process? We don't want simply a meeting; we want a process of addressing the long- and short-term security and development and governance challenges in Yemen. The GCC countries have stepped up as a response to London and said okay, fine.

We're going to have a meeting February 27th and 28th, the GCC meeting in Riyadh to talk about Yemen, in house with the Yemenis talking about Yemen. We see a new seriousness on the part of the GCC countries to work directly with the Yemenis on their own, and also to work with us in the international community.

REP. ACKERMAN: But the history of that seems to be, just send them in some money and here you go, guys, fix your problem. It's hard to tell a patient, you know, here's a million dollars go cure yourself. I think we have to have a more serious bilateral discussion with the Saudis in particular, others as well. But sit down in a room with the Saudis.

My suggestion -- and say look guys, here's what I think you really have to do. Not just put money in there, but you have to do A, B, C, and D to help build this place into a real place with some sense of leadership, with some sense of being able to build a state that can control themselves. There's a -- they're living in a world of disillusion over there.

MR. FELTMAN: We agree with you on working with the Saudis, 100 percent.

REP. BERMAN: The time of the gentleman has expired. The gentleman from Arizona Mr. Flake is recognized for five minutes.

REP. JEFF FLAKE (R-AZ): I thank the chairman.

I thank the witnesses, and I'm sorry I wasn't here to hear your testimony. I've not had a chance to really go through it. So, forgive me if you've gone through this already. We've

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known for -- well, really since this Fort Hood shooting, and suspected before that that there were problems there in Yemen.

Can you tell me what has -- what State was doing, is doing now that it wasn't doing before? How have -- is it just a matter of intensity? We've got to build institutions faster, we've got to work with the government there, we've got to get neighbors involved. Or is it a complete change in focus? What has -- is happening today that wasn't, you know, six months ago?

MR. FELTMAN: Sorry to monopolize the hearing, Bob. In fact, the administration came into office last year and looked at, and you know, looked around the world and focused on Yemen as one of the priorities very early on in the administration. Both in terms of development and governance challenges, and in terms of the security challenges.

There have been a series of meetings that Ambassador Godec and I have -- and our bosses have attended since last year. A lot of meetings on Yemen, where we developed this two-pronged strategy I was describing earlier, addressing governance and development challenges and addressing security challenges. What's happened since December 25, though, is we have the ability of really engaging the region and international partners.

It was as a result of the December 25 attempted attack that led British Prime Minister Gordon Brown to issue the invitation, issue the call for the Yemen conference that I attended last week with Secretary Clinton. And this is allowing us to coordinate our approach, coordinate our messages, get international support. Basically, using the international community and regional partners as increased leverage to address these challenges in Yemen.

So the December 25 attempted attack was not -- did not wake up the United States or the United States' administration to the challenges in Yemen; but it did allow us to use the international community in new ways.

REP. FLAKE: We had a number of successful predator strikes in Yemen of terrorists over the years, over the past couple of years. It's been my understanding, is that -- how does that impact the work that the State Department does? Is it understood by the government that -- and how much of those moves by the U.S. supported by the government there such as it is?

MR. GODEC: Congressman, I think I would just underscore that the United States is cooperating very closely with the Yemeni government in a variety of ways on the fight on counterterrorism. They understand the contributions that we're making by way of training and assistance; they value it. I know they find it very important and we've been working very closely with them to address the threat, which they take now very seriously. And I do think that recent developments -- the actions of the government have underscored just how seriously they take it and how they do intend to address this problem.

REP. FLAKE: So to the extent that there was pushback from government, that's lessened now after recent activity? Or was there no pushback early on? Have they been cooperating all along?

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MR. GODEC: I think it's fair to say that the cooperation across time has been uneven. That -- there have been instances and times and places in the past where the cooperation is not everything that we hoped it would be. I do think that their recent actions however show on the part of President Saleh and the government a new commitment and a strong commitment to cooperate with us on counterterrorism.

REP. FLAKE: Thank you. I yield back.

REP. BERMAN: The gentleman's time has been yielded back. And now the gentlelady from California, Ms. Lee, is recognized for five minutes.

REP. BARBARA LEE (D-CA): Thank you very much Mr. Chairman. Let me thank you both for being here. And just reiterate the fact that the implications of this country's stability on U.S. policy in Yemen and the surrounding region and the larger context of our efforts to curb extremism around the globe, you all are really, I think, charting a new course and a new direction.

The presence of al Qaeda in Yemen and elsewhere in the Arabian Peninsula really further illustrates the difficulties, of course, that we'll face in sustaining efforts to reduce extremism if the United States engages these challenges with military-centric solutions. I can't help but wonder, and I want to ask you this question about any thoughts or discussion with regard to any authorization to use force against Yemen. Of course we, you know, conducted military actions in Afghanistan and Iraq as part of our strategy. It's very similar now in terms of what's taking place in Yemen.

And I wanted to find out, have -- I hope not, but have -- has that been on the table for discussion? Secondly, I don't know if you mentioned the numbers of al Qaeda members that we think are in Yemen versus Afghanistan to get a sense of, you know where the real fight is. And thirdly, I'd like to just ask about the increase in funding aimed at building Yemen's military and counterterrorism capacity. But also, the zeroing out of development assistance; and what that means given our overall strategy in terms of what we're trying to do on the development front which you've laid out.

MR. FELTMAN: Representative Lee, first of all, the president has been clear, Admiral Mullen has been clear, General Petraeus has been clear. We're not talking about U.S. combat boots on the ground in Yemen. We've made -- you know, the -- we're not looking at a situation -- Iraq, Afghanistan, something like that. We are looking at supporting a new determination by the government of Yemen to go after the al Qaeda threat.

We are providing support to the government of Yemen in its own fight against al Qaeda that certainly is in our interest. The number of al Qaeda, you asked specifically, I'll quote the foreign minister of Yemen, Foreign Minister Qirbi of Yemen has said that they estimate, the Yemenis estimate 200 to 300 is what they're talking about. And I don't have anything more to add on top of what Foreign Minister Qirbi would say in terms of numbers. On the development --

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REP. LEE: Excuse me, but then correct me if I'm wrong, but there are fewer in Afghanistan than -- fewer al Qaeda members in Afghanistan than in Yemen.

MR. FELTMAN: I'll defer to -- since my writ ends at Iran, I'll defer to Ambassador Godec.

MR. GODEC: I think that, you know, there are many al Qaeda, unfortunately, around the world in a range of places. They do pose a threat. It is not always easy to get a precise handle on the exact number of al Qaeda in any given location. They do obviously pose a real threat, whether it be in Yemen or Afghanistan.

REP. LEE: Okay, so we don't know the numbers in Afghanistan at this point or not?

MR. GODEC: Congresswoman, I'd be happy to get back to you with an estimate on that if you'd like. We'd be happy to take that back.

REP. LEE: Yes, I'd like that. Okay, thank you.

MR. FELTMAN: Representative Lee, on the -- you asked about the development assistance. If you note what we've done is we've increased the ESF. That we're moving into a situation where we're using, where we're using ESF as our tool rather than development assistance. So the overall levels of assistance have been going up since Fiscal Year 2008. There's some, you know, shifting between the budget lines.

But the overall level is going up in order to help the government of Yemen address the challenges -- and particularly, as I said earlier, to try to work at the local level, to try to show delivery of services at the local level and do job creation at the local level.

REP. LEE: Okay. But it's my understanding -- correct me again if I'm wrong -- that even with the ESF funds and the development assistance account, we're still looking at a reduction of about \$6 million.

MR. FELTMAN: Yeah, overall --

REP. LEE: From the previous year.

MR. FELTMAN: I don't believe that -- I'll look at the numbers carefully, because the overall assistance, if we go -- not counting the 1206 money -- in fiscal year 2008, we were providing about 17 million, fiscal year '09 about 40 million, fiscal year '10, we're doing 67 million. And then the president's budget request that was just submitted has 106 million for fiscal year '11.

So in fact, we're on a steady increase on both the -- on both tracks of our policy, which is providing security assistance and providing assistance for development.

REP. LEE: Okay. Finally, let me just ask you, how many Americans are living in Yemen? Do we have an idea?

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MR. FELTMAN: Yeah. Our embassy would definitely have an idea and I'll have to get back to you on what they -- what they report their estimates are.

REP. LEE: Okay. But primarily, are they U.S. government workers, personnel?

MR. FELTMAN: I -- Representative Lee, it seems that the estimates in the embassy in the Consular Affairs section is 40 to 50,000.

REP. LEE: 40 to 50,000. Okay, thank you very much.

I yield the balance of my time.

REP. BERMAN: The time of the gentlelady has expired. The gentleman from Indiana, Mr. Burton, is recognized for five minutes.

REP. DAN BURTON (R-IN): Thank you, Mr. Chairman.

Going back to the chairman's question about Iran, Ambassador Feltman, you described Iran's activities as "misbehavior." Misbehavior? And that the U.S. has asked regional neighbors not to interfere in Yemen's internal affairs.

That hasn't seemed to work in Lebanon or Iraq or North Africa -- are we underestimating Iran's interest and activities in Yemen?

MR. FELTMAN: Representative Burton, I'm sorry if my -- if my choice of words didn't properly convey how serious the challenge Iran poses to U.S. interests in the region are, because it's enormous.

I was ambassador to Lebanon. I saw up close how damaging to Lebanon's security the presence of Hezbollah and Iranian support for Hezbollah is. I do not underestimate the challenge that Iran poses for us in the region.

REP. BURTON: Well, the reason I bring that up is, is the attitude of the administration has been to try to talk to all these people around the world and work out our differences verbally and continue to go on and on and on saying, you know, that we're going to do this or going to do that. We're going to impose sanctions if they don't change, stop their nuclear development program, stop the terrorists in Yemen and so on and so forth -- or stop their assistance to them.

And things don't change. It just continues to get worse. We have had two attempts in the last year by people who were at least partially involved or trained by al Qaeda terrorists in Yemen. And it just seems like we ought to use stronger language and really be stronger in our interrogation of these people.

One of the things that has concerned me is officials over in the Senate testified that an elite interrogation team created to replace a controversial CIA program dismantled by President Obama last year is now operational.

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It's not operational, is it? Does anybody know who it is? I have no idea who it is. Have you heard of who that is -- either one of you? I mean, is it operational and if so, who have they been interrogating and have they gotten any information and, you know, what's the result?

MR. GODEC: Congressman, I am aware that there is an interrogation team. I believe that it is -- at least testimony yesterday about it that it is operational. We can certainly get back to you with additional details about it. REP. BURTON: Well, over in the Senate officials testified that this interrogation team really wasn't operational. And then they came back and said a couple days later that it is operational.

And so you know, once again we're hearing -- it's like a ping-pong ball. It is operational; it isn't operational. And I'd like to know, really, if it is. And if so, I'd like to know what they're doing in Yemen and elsewhere to get information about these terrorists before they try to blow up a plane here in the United States or kill a bunch of people at Fort Hood.

I mean, you know, if we've got an interrogation team and we know al Qaeda's there or a subsidiary of it is, why in the world isn't our intelligence people and our military people catching these individuals and really digging the truth out of them -- and also, using technology and procedures that are going to be able to get information?

I know the president said, well, waterboarding is inhumane. And I saw a television commentator on television actually going through waterboarding. And he said it was very scary, but he survived it and it didn't seem to bother him too much. And yet, when we used it, they said, oh, my gosh! It's inhumane and it's a terrible approach to getting information.

I think when you're dealing with terrorists who want to kill 250 people or so on a plane, or terrorists that are instructing somebody at Fort Hood to kill a bunch of American military personnel, that we ought to do whatever is necessary within certain bounds to get that information. And I'm one of those that believes we ought to use waterboarding or whatever it takes to get that information, because once they kill a bunch of Americans, everybody's going to say, why didn't we do something about that?

And that's why I'm very concerned about this interrogation team, because I don't believe it exists and I believe they're scrambling around right now trying to get it together so they can say, oh, yeah. We've been doing that and we've had it for awhile.

And one more thing, Mr. Chairman, if I might: This guy that got his Miranda Rights after he got on that plane -- or after he got off the plane, and he got a lawyer paid for by the United States of America. The FBI said they went over and they talked to his parents and that gave them the information necessary to elicit more information to him -- from him about what was going on in Yemen where he was trained.

Are we going to be sending FBI agents around to parents all over the world to get information like that? That's ridiculous! If we get a person who's a terrorist who tried to blow up a plane, we need to get on him right away -- quickly, fast!

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REP. BERMAN: The time of the gentleman has expired. The gentleman from Georgia, Mr. Scott, is recognized for five minutes.

REP. DAVID SCOTT (D-GA): Thank you, Mr. Chairman.

And welcome. I'm over here.

Last year, I traveled to Yemen, walked the streets of Yemen -- along with our Navy SEALs, of course. And the thing that struck me was as we moved through the city, at exactly 1:00, all of the men that we could see were reaching in bags getting this green stuff, sticking in their jaws. And it was so disfiguring -- grotesquely -- that you could see it all over where we looked on the streets. And these weren't just young kids. These were police officers, they were businessmen.

The issue that I want to ask is: What are we doing to address this issue? It's more than just a leisure thing. Khat has become the primary degradation of their poverty. It requires an immense amount of water, which there's a shortage for. Their number one economic asset, being oil, will be depleted in seven years. It takes so much land to grow the khat that they can't even grow food.

So it seems to me that this is a fundamental situation that I think we've got to address, because it is the driving characteristic of that economy, of that culture that is not only making Yemen a failed state, it has become a failed state and this is a driving force for it.

What is our strategy to deal with khat?

MR. FELTMAN: Representative Scott, I think you've described the problem very articulately. You know, this -- khat is depriving incomes from families. It is preventing people from effective employment. It is, as you said, using up precious water resources.

The World Bank and others are working on ways to combat this, to tackle this. It's hard. You know, this is a cultural thing, as you yourself witnessed when you were there. And you know, we're -- we're working behind this. We're working to back up the World Bank and other people's efforts on this, and we're trying to complement it by this -- the new AID strategy I described with you, which will have some focus on small business development and agribusiness development to try to create new opportunities and new markets to provide incentives to get people away from this.

This is a severe problem. It's a long-term challenge and you are absolutely right that all of us need to be working together to address it. I don't think there's any short-term fix to the long-term khat problem.

REP. SCOTT: Well, thank you. Mr. Godec, let me ask you to comment on the accuracy of the size of al Qaeda there. Last week I read in the New York Times where a member of the Obama Administration stated that we have killed approximately 20 percent of them -- and they put an accurate figure of between 300 and 400 al Qaeda operatives in Yemen.

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First of all, is that accurate? Did we -- do we -- have we eliminated in the past few months 20 percent, number 1, and number 2, is the 3 or 400 the accurate figure of the number of al Qaeda in Yemen?

MR. GODEC: Congressman, as Secretary Feltman said, the number that we have on al Qaeda in Yemen is from the foreign minister -- from Foreign Minister Qirbi. What he said was 2 to 300. Several hundred was a specific reference, and that's the best number that I have available this morning. And obviously, as I said, the government of Yemen has taken a number of steps to address this threat. There have been a number of actions, military, and law enforcement, and others. A number of al Qaeda have been taken off the street, a number of them have been killed, a number are in prison.

I can't give you --

REP. SCOTT: Okay.

MR. GODEC: -- confirmation that the 20 percent number is accurate. It may be accurate, but clearly ongoing actions are in fact taking al Qaeda off the streets in Yemen right now, and this is -- this really is a commitment by the government of Yemen to address this problem.

REP. SCOTT: Yeah. In my last ten seconds, I hope I can get this in. It's a regional situation. Have we involved the nations of Kenya, Ethiopia, Oman, and Saudi Arabia as well -- (inaudible) -- to impact a regional effort at -- dealing with Yemen?

REP. BERMAN: I think the time is expired. Maybe you can work that answer into an answer to someone else's question.

The gentleman from Florida, Mr. Bilirakis, is recognized for five minutes.

REP. GUS BILIRAKIS (R-FL): Thank you, Mr. Chairman. I appreciate it very much. I'm sorry that I'm a little late. Recently I visited the prison at Guantanamo Bay -- this is for the panel -- and ended up with the feeling that it was probably the best living conditions the terrorist inmates had ever experienced.

Dozens of those inmates have been released from Guantanamo to Yemen and have been reintegrated with al Qaeda in Yemen, and despite all the terrorist activity taking place within Yemen, they're still eager to accept up to 100 additional inmates.

My question is, can Yemen really be serious about wanting to assist us in eradicating al Qaeda when it's eager to welcome Guantanamo inmates? And I understand we are not sending those inmates now, and I agree with that policy, but if you can answer my question.

MR. FELTMAN: Congressman, I know that in my region, which is the Near East region from Morocco, you know, through Iran, that all countries that have nationals who are incarcerated in Guantanamo, all countries' policies are that they want their nationals back. That's a standard policy across the region. It varies from place to place about why that is, you know, what they would do with them, et cetera, but it's not unique to Yemen that the

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Yemeni government says, please send the Yemenis back to Yemen. But as you pointed out, the president on January 5th made the decision that because of the security environment, because of threat considerations, that he was suspending the return of any Yemeni Guantanamo detainees back to Yemen.

The previous administration had sent 14 detainees back to Yemen. This administration has sent seven back to Yemen, including one in September that was under court-ordered release. But all of these decisions that the administration has made were done by consensus, evaluating the threat environment, evaluating the individuals in question, and taking into account all the information that we have.

REP. BILIRAKIS: Thank you.

Would you like to comment on it as well?

MR. GODEC: I would just indicate that -- you know, I share Secretary Feltman's views and comments on this. I agree with him. I think there has been a very intensive process in this administration, a review of all of the detainees in Guantanamo by a task force of sixty lawyers, experts, and various sorts, and anyone sent back anywhere was done so by unanimous agreement. But the key point, I think, with regard to Yemen at this moment is that as Secretary Feltman said, the president announced on January 5th that he is suspending the transfer of detainees back to Yemen.

REP. BILIRAKIS: Thank you.

My second question is that recent events in Yemen coupled with past events suggest that Yemen is not a partner in the war on terror. I want to get your thoughts on that and see if you believe this is a working relationship which can be salvaged, and if it's worth salvaging, what type of preconditions would you put on any aid we might provide?

MR. FELTMAN: Congressman, we would agree with you that Yemen has been -- I would describe it as an inconsistent partner. There have been times when Yemen has focused on the al Qaeda challenges. There have been times when Yemen hasn't been as focused as we believe they should. We are -- but we are encouraged by the determination the government of Yemen has taken over the past couple of months.

We believe that the leadership in Yemen from the president on down now understands that al Qaeda is the pre-eminent threat in Yemen to Yemeni interests. We want to build on that. Our security assistance goes hand and hand with our development systems in Yemen, but it is based on a partnership that must address these challenges.

REP. BILIRAKIS: Would you like to address that as well?

MR. GODEC: I would just underscore the importance at looking at Yemeni actions, and I think that those actions recently have been very clear, and they have been taking the fight directly to AQAP, and frankly, given that it is ultimately Yemenis who have suffered most from AQAP attacks, more Yemenis have died because of their attacks than others, I

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think that that commitment is a good thing, it's a positive thing, and it does indicate, I think, that it will continue.

REP. BILIRAKIS: Okay. Thank you very much.

Thank you, Mr. Chairman.

REP. BERMAN: The time of the gentleman has expired. I remind the committee that we have an excellent panel of expert outside witnesses to testify after the secretary and ambassador are finished, and I recognize the gentleman from Virginia, Mr. Connolly for five minutes.

REP. MICHAEL CONNOLLY (D-VA): I thank the chair.

I thank you both for appearing here today, and I'd ask unanimous consent that my opening statement be entered into the record at this point.

REP. BERMAN: Without objection.

REP. CONNOLLY: Mr. Chairman, before I begin asking some questions of the witnesses, I just want to respond to my good friend, Mr. Burton, and I respect him.

But I do not agree. I profoundly disagree with the idea that the United States of America would engage in torture to wring confessions out of would-be suspects. Torture -- waterboarding is torture -- is not an America value. We have always striven in this republic for the higher plane. We represent values. That's what makes Americans Americans. Not our ethnicity, not our religion, not our credo, but our values. And torture is never and must never be an American value.

The facts of the case of Abdulmutallab, as a matter of fact, would be contrary to what was suggested. The visit to his parents elicited cooperation. The reading of his Miranda rights was no different than the reading of the Miranda rights to the shoe bomber, Mr. Reid, which occurred in the previous administration, I might add, not once, but four times.

And as a matter of fact, we now have the cooperation of the suspect in sort of singing his song about his contacts and the network. It's been an effective strategy. Not torture, but good, hard investigative techniques.

I wouldn't want anyone watching this hearing, Mr. Chairman, to believe for a second that the idea that torture is okay for the United States of America as a weapon in the fight against terrorism, because torture actually can turn against us. It puts every America who travels abroad at risk. It costs us the high ground, and as a matter of fact is counter-productive.

And so I just wanted to say that at the beginning, Mr. Chairman, because I wouldn't want anyone to think that that view was representative of most of us I think in the United States Congress, on both sides of the aisle.

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Now, if I may ask, isn't the problem in Yemen one of governance? I mean, is there a functioning government we can work with? You know, there's so many things one can point to that would suggest serious dysfunctionality. If we don't have a functioning government to work with, how do we secure our interest in what is now yet another boiling pot in an obscure part of the world?

SEC. FELTMAN: The -- there are many problems facing Yemen; there are many problems inside the government. I'll quote a former ambassador to Yemen, Barbara Bodine, who last year -- who last week or two weeks ago described Yemen as a fragile state rather than a failed state. There's a history of trying to solve problems locally; there are 21 different governments. The 21 different governments have different cultures, geography, relationships with the central government, but there is, in fact a government.

It may not be a government that is functioning as well as we would all like it to; it may be a government that there are certain grievances against it by different parts of the population, but there is a government. And it's a government that we want to work with in partnership on all of these areas. We don't only want to work with the government, and that's an important point. There are 7,000 civil society organizations in Yemen. This is a very vibrant civil society. We are working with those as well. There are local governments that address local challenges, we're working with that as well. So we're not relying -- we're not relying exclusively on the central government, even as we partner with the central government to face some security and development challenges.

REP. CONNOLLY: Is it a government that is cooperating with us, Mr. Assistant Secretary, to your -- in your opinion?

SEC. FELTMAN: It is. As we've said here, we've seen new determination that's encouraging in the fight against al Qaeda, and we've also seen new determination that's encouraging in trying to improve the governance and its own capacity.

REP. CONNOLLY: Mr. Ambassador, we have 44 seconds.

MR. GODEC: I would just underscore again that we have seen, I think, some real changes recently in the government of Yemen and in its determination to cooperate with us in key areas, areas that are of great importance to the United States. First and foremost, the fight against AQAP. And I think that this is new and that it's a very positive development, and we hope going forward that we can deepen this cooperation, certainly in the security area but also in the development area. It is essential. We need to work with the Yemenis very closely and we need the assistance of our friends and allies in the region in order to address the challenges.

REP. CONNOLLY: Thank you. My time is up, Mr. Chairman.

REP. BERMAN: The time of the gentleman has expired. The gentleman from Illinois, Mr. Manzullo, is recognized for five minutes.

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REP. DONALD MANZULLO (R-IL): Thank you. I'm sorry that I got here late. A combination of trying to figure out what happened in Illinois in the election last night and trying to figure out what happened in Illinois in general in the past 100 years.

There was an article written November 19th of this past year in the Washington Post concerning two brothers from the country of Yemen. One of the brothers had been detained at Guantanamo for the past eight years, alleged to have been involved in the USS Cole incident, the other brother living in Yemen,

And the brother in Yemen had talked about the promise of the president to close Gitmo. And he says if the president does anything less than closing Gitmo, that is moving Gitmo to the United States, that the hatred and animosity that the terrorists and possible recruits for the terrorists have towards Gitmo would be transferred to the U.S. facility ostensibly in Thompson, Illinois. And he said moving that facility will make the Yemenis even more prone towards terrorism than they are now, and even exacerbate and increase the recruitment of al Qaeda.

And I was wondering if you could comment on that.

You don't have to fight over who's going to answer the question, you know.

MR. GODEC: Congressman, I think I would just underscore that there is a real commitment on the part of the administration of President Obama to close Guantanamo. I think there is no doubt that it is a real problem for us around the world, the existence of Guantanamo and the facility there, and our senior military leaders have indicated that in fact --

REP. MANZULLO: I understand that. I'm asking if you could comment on what the Yemenis themselves thinking where one brother is incarcerated, the other one is out, on the attitude of transferring that hate from Gitmo to Thompson, Illinois.

MR. GODEC: Congressman, I'm not aware specifically of any Yemeni reaction to --
REP. MANZULLO: Well, this is a Yemeni reaction.

MR. GODEC: -- the question of the possibility of transferring the facility.

REP. MANZULLO: Mr. Ambassador, the -- what I quoted you was actually -- let me give you the exact quote -- it's Uthman Abdul-Rahim is the person at Gitmo. His brother is Arif, said he was confident Obama would close Gitmo in one year. If he doesn't, or if Uthman and other detainees are sent to a prison in the U.S., many families would consider it an even greater betrayal. Quote, "Their families, their friends, their tribesmen would have more hatred for the United States," Arif said, "and perhaps they will consider taking the same path as the extremists."

So my question to you is to comment on that statement coming from the Yemenis themselves.

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MR. GODEC: Congressman, I think that obviously we have a situation where there are individuals in Guantanamo. Something needs to be done with them and the administration is considering --

REP. MANZULLO: No, I understand.

MR. GODEC: -- all of its options.

REP. MANZULLO: I'm just asking you to comment on this. This is not a difficult question.

MR. GODEC: I'd be happy to take the question if I could, Congressman.

REP. MANZULLO: I really don't -- this matter has been around for months. It's been discussed publicly; it's not something that you would -- I'm going to give to you and you can take back and answer me in six weeks. I'm asking -- I mean, you're familiar with the area more than anybody. It's very intimate; this is one brother who is saying his brother is at Gitmo and if Gitmo is transferred to the United States the hatred will transfer. That's a very simple question. Do you agree with him or not?

MR. GODEC: Congressman, I would just have to repeat or reiterate that I would really have to take that question back for consideration. I'm not sufficiently familiar with this specific case or these two brothers.

REP. MANZULLO: Mr. Ambassador, that's the problem. Okay? I represent Thompson, Illinois, and I had 12 hours notice that it was going to be moved to my congressional district. I've got nothing less than obscure answers every time I ask a question. I'm asking for it -- I mean, do you agree or not? This is a statement of a Yemenese himself. If he hates Gitmo and Gitmo is transferred, will he hate Thompson, Illinois? REP. BERMAN: The time of the gentleman has --

REP. MANZULLO: I would ask -- I would ask to have 30 additional seconds.

REP. BERMAN: I'm sorry. I don't understand how the Ambassador can answer a question coming from someone that he's not familiar with and evaluate whether it's an accurate statement or not.

REP. MANZULLO: Well, it's unfortunate --

REP. BERMAN: But in any event, that is -- my feeling is irrelevant. The time is expired. The gentlelady from California, Ambassador Watson, is recognized for five minutes.

REP. DIANE WATSON (D-CA): Thank you, Mr. Chairman.

Over the past several years, U.S. foreign policy to Yemen has averaged between \$20 and \$25 million annually. However, in Fiscal Year 2010, the Obama Administration requested about \$50 million in aid. The assistance to Yemen in this fiscal year has already

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reached \$67 million and the fiscal year 2011 request is closer to \$100 million. So keeping these increases in mind, should we be expecting a Yemen supplement later this year and can you mention, either one of you, who our partners are in Yemen, and what can we expect from them in the next few years?

MR. FELTMAN: Representative, thanks for the question. The money for Fiscal Year '10 and the president's request for Fiscal Year '11, for the budget for Fiscal Year '11, are in the regular budget. They're part of our regular foreign assistance numbers, and of course we've had to evaluate how best to devote those resources and came up with those figures for Yemen. So I would not expect a supplemental for Yemen.

In terms of the partners, it's a good question because we do have to leverage our assistance with others. The -- in terms of Europe, the British are major donors.

The British have announced 50 million pounds starting in 2011. That's about \$82, \$83 million for Yemen. So it's in the ballpark with what we're doing. The Netherlands and Germany are big donors. The World Bank is involved.

The major donors are the Gulf countries, Yemen's immediate neighbors -- Saudi Arabia, the UAE, and others. The UAE announced a 600 million-plus pledge to Yemen just recently.

So the London conference that I attended with Secretary Clinton last week was an important milestone because it started out a process by which all of us will be working together in order to support development, stability, economic opportunities in Yemen, which we hope will start to reverse some of the really appalling social and economic indicators in Yemen that can feed into the very hatreds and problems that we've been talking about.

REP. WATSON : I understand that about 50 percent of the children are malnourished, and illiteracy is high, and piracy has traveled -- Somalia into Yemen in the last few years. Income from oil is failing, and as in my own district, Los Angeles, California, water scarcity is a growing problem.

And with respect to these problems, what has been the result of the aid that we have given, the aid that the partnership is involved in, and how do we intend to improve the impact of this aid? And is it -- tell us how it relates to our best interests, too.

MR. FELTMAN: I'll answer the last first, which is we firmly believe that if we just look at Yemen tactically, we're not going to be able to solve any of the addresses, and if we only look at Yemen from a security perspective, that's also insufficient to actually address the security challenges. We need to look at Yemen over the long term to address the sort of development challenges, the grievances, the despair that people have that can feed in to the - - to a negative security environment.

So we want to address security and development governance at the same time. We have a new strategy in terms of our assistance strategy to Yemen. We assigned it with the Yemeni government in September. So before the Fort Hood attacks, before the December

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25th attempted bombing, we were already looking at new ways in order to most effectively get assistance delivered to the people on the ground. Because you pointed out the social indicators yourself. They're appalling. REP. WATSON: Yes.

MR. FELTMAN: The government of Yemen admits they're appalling. And we need to find ways to make sure that health, education, job opportunities are available at the local level.

REP. WATSON: Thank you. I'll yield back my time, Mr. Chairman.

REP. BERMAN: The time of the gentlelady has been yielded back.

I was advised and actually remember that a previous member on the majority side was -- because I wasn't alert, was given about 50 extra seconds to question, and so I'm going to reverse the ruling of the lower court -- (laughter) -- and give Mr. Manzullo 50 seconds to pursue his question.

REP. MANZULLO: Thank you, Mr. Chairman.

As the administration's top experts on the Middle East and on counterterrorism, how will transferring the entire Guantanamo Bay Detention Center to the U.S. make our nation any safer when there are clear warnings, such as what happened on December 25th?

MR. GODEC: Congressman, I think that, you know, it's clear that al Qaeda needs sort of no further excuse than it already got to attack the United States. I mean, it is constantly plotting and planning to attack the United States.

It poses a real threat to us in its many manifestations.

REP. MANZULLO: You're not answering the question. 19 seconds.

MR. GODEC: I would just emphasize that Guantanamo needs to be closed. It's essential that it be closed. I think that, obviously --

REP. MANZULLO: I want to say how disappointed I am in your unwillingness to answer this very simple question. I'm out of time.

REP. BERMAN: The time of the gentleman has expired. The gentleman from California, Mr. Royce, is recognized for five minutes.

REP. ED ROYCE (R-CA): Thank you, Mr. Chairman.

Recently -- I'll just ask this question -- the New York Times ran that story on Iman University, and 4,000 men gather there in a football-sized mosque every week. And as they say in the story -- in the Times -- Zindani, the headmaster who is the theological adviser to Osama bin Laden -- after all this, this is a guy who is a designated terrorist by the U.S. Treasury. He sort of oversees this operation.

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And this is where John Walker Lindh studied before fighting us in Afghanistan. It's where the Internet preacher, Anwar al-Awlaki, who preached to the Fort Hood shooter, got his -- got his ability to give lectures. He also was tied to the Nigerian who attempted to hit us on Christmas Day.

And now we have reports that up to three dozen Americans who have converted to Islam during incarceration in the U.S. are currently in Yemen, and they have traveled in Yemen -- to Yemen to study Islam. Now, I assume that means they were going to the Iman University where these other terrorists were trained.

And law enforcement officials have been concerned. They say they have dropped off the radar for weeks. Now, in the past, President Saleh has been lobbied to have Zindani removed from the terrorism list. And I don't know what he's thinking about this university, but I would think that, it might be time to do something, since this is being used to train terrorists.

And I wanted your opinion in terms of your feelings about that and maybe what steps you're taking.

MR. FELTMAN: Congressman Royce, thanks. Let me make a couple of comments and ask Ambassador Godec to add.

I mean, you know, as you know, Yemen is a sovereign country. And so part of our dialogue with Yemen, our request of Yemen, of course, are associated with things like how you build an effective counter-radicalization program. Ultimately, these decisions are Yemeni decisions but, yes, we are engaged with the government of Yemen on exactly the sorts of recruitment tools that we see happening in Yemen.

We've also talked to them about -- the Yemenis -- about watching their own immigration rules. I think that the Yemenis have recently picked up some Americans, in fact, for immigration violations for people who have overstayed their visas, which is an encouraging --

REP. ROYCE: Well, you've got 36 quotes from the story -- blonde-haired, blue-eyed Americans who our government said we thought we had this place blanketed, we thought we were working it very closely, but now they've fallen off the radar.

So, you know, I understand we're appealing to them but, in the meantime, terrorists are being trained, apparently.

MR. FELTMAN: No, it's -- without question, this is a concern. There's -- there's very little ability, I think, of the U.S. government. You'd have to -- you'd have to talk to the immigration officials to prevent the travel by U.S. citizens. So we have to be in touch with the governor of Yemen about their -- about any violations in their own rules.

But we're also doing things to promote counter-radicalization in Yemen. We're working on programs. The Democracy, Human Rights, and Labor Bureau of the State

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Department, for example, runs a very effective program on religious tolerance in Yemen. So we're doing this -- we're working on this problem through a couple --

REP. ROYCE: Yeah. I understand. But you've still got 4,000 people meeting every week in a football-sized mosque where, if the New York Times is correct, they are being encouraged by the -- what would we call it? -- the brain trust for al Qaeda to launch terrorist attacks. And that's still going on. Right?

MR. GODEC: I would just underscore what Assistant Secretary Feltman said. We're deeply concerned about this. We are very well aware of this and other institutes and schools and universities which are engaged in transmitting or teaching the extremist message.

And it is something that we're seized with -- we're working with the government on this. We're looking for a variety of ways to address the problem. It is real -- it is a serious issue.

REP. ROYCE: In the meantime, with al-Shabaab, you've got these Yemenis from this same university are training and fighting with al- Shabaab right now.

Thank you, Mr. Chairman.

REP. BERMAN: The time of the gentleman has expired.

We -- remember, for the remaining members who haven't questioned yet, we do have a second panel, and now it is the gentleman from American Samoa, Mr. Eni Faleomavaega, who is recognized for five minutes.

REP. ENI FALEOMAVAEGA (D-American Samoa): Thank you, Mr. Chairman, and I appreciate your leadership and initiative in having this hearing this morning.

And I do want to say that I think too often, we don't say enough to express on behalf of the members, and certainly our colleagues, to those of our fellow Americans who serve in the foreign service, Secretary Feltman and Ambassador Godec for your commitment and your dedicated service on behalf of our country. I mean that sincerely, because in this part of the world, for any given day, any of you could be, your lives could be taken. The sacrifices that your families make, I think sometimes we tend to overlook that. We do deeply appreciate the services that you give to our country.

Yemen has 24 million people, a failed state, and several incidents and instances where our country has given some kind of connection in such a way that has not been necessarily positive. Just to make sure, for the record, if I have any sense of understanding, the al Qaeda movement, was this initiated by Osama bin Laden to your understanding, gentlemen? I just want to make sure I know what I'm talking about.

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JEFFREY D. FELTMAN: Yes, I mean, he certainly was one of the founders, yes.

REP. FALEOMAVAEGA: Okay. Would it be safe for me to say also that one of the deepest concerns that our country has raised is that Yemen has become a breeding ground for al Qaeda? And then, I would like to ask, what is the estimated number of al Qaeda now present in Yemen?

MR. FELTMAN: The number that we have is from the foreign minister of Yemen, Foreign Minister Qirbi, and he has said that there were several hundred, 200 to 300, specifically al Qaeda in Yemen right now. That's the number that we have.

REP. FALEOMAVAEGA: I want to make this connection and I am not trying to be parenthetical about what I'm especially concerned about. If the media reports are accurate, there's some 27,000 Taliban in Afghanistan and a couple of hundred al Qaeda, we already have 68,000 soldiers on the ground in Afghanistan, and we're about to send another 30,000 soldiers to Afghanistan, totaling probably approximately 100,000 soldiers that are going to be looking for these 27,000 Taliban and a couple of hundred al Qaeda, and I suspect in the given 18-month period, that's going to be another added \$100 billion dollars that we're going to have to spend to look for these people.

My question to both of you gentlemen, is there some kind of a policy about proportionality? How many Yemens are we going to be chasing all over where the al Qaeda is going to be acting, or given its presence, whether it be in Africa or in other parts of the world. My concern is that, is there some point where the administration is making a determination to say, "Ah, we've got a couple hundred al Qaedas in Yemen, so therefore, boom. We've got to do everything that we can."

Is the issue of al Qaeda just in terms of security, or is it more than just that? What is that gives these people to join the al Qaeda movement? I'm sure it's not just for the fun of killing Americans. I think it's deep seated ideologies, thousands of years of traditions, tribal rivalries and all of these things have played into the factor. But here, our whole objective is security on our part, protect the security of the American people. Who doesn't want that?

But in the meantime, we're going to be killing these people who have no idea what democracy is about, nor do they care. And I just want to ask you gentlemen just a question. We're going to be doing this to Yemen by giving more economic assistance, more of the same thing that we're doing to Afghanistan, but is it going to solve the problem of al Qaeda? Gentlemen?

MR. FELTMAN: I think that --

REP. FALEOMAVAEGA: Here's my problem.

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MR. FELTMAN: Go ahead, please.

REP. FALEOMAVAEGA: There's no such thing as Afghans. There are 12 million Pashtuns, seven million Tajiks, almost three million Uzbeks and three or four other major tribes that make up the population of Afghanistan. And right on the border of Afghanistan and Pakistan are 27 million Pashtuns, even though they may be Pakistani citizens. So is it any wonder why Osama bin Laden has been freely roaming between Afghanistan and Pakistan? We couldn't even find him after eight years. What makes you think that we're going to be able to solve the Afghanistan problem by sending 100,000 soldiers to do this task?

MR. FELTMAN: I know we're running out of time, but I would just like to note, Representative, if I may, that Yemen is different.

REP. BERMAN: You have -- you've made that point, and you've run out of time. (Laughter.) REP. FALEOMAVAEGA: All right. Thank you.

REP. BERMAN: And the gentleman from North Carolina, Mr. Miller. And both of our witnesses have to leave at 11:15.

REP. BRAD MILLER (D-NC): Thank you, Mr. Chairman. There have been a lot of questions this morning about governance in Yemen and at sometime in the past, Yemen led the region in Democratic governance reforms, and that obviously is not the case now. Whether you call it a failed state or a fragile state, it's pretty clear that much of Yemen is ungoverned and all of it is lightly governed.

General Zinni, Anthony Zinni said that ungoverned areas were a Petri dish for extremism and radicalism, and that certainly appears to be the case in Yemen. There's a recent Washington Post article that said there was a London conference to encourage or insist upon very broad political and economic reforms in exchange for a package of long-term development and security assistance, not just from the United States, from other nations.

What is the nature of what we're asking Yemen to do? What do they appear to do? Are other nations supporting us in our demands? Are we supporting the demands of other nations? And then second, you mentioned earlier the neighbors of Yemen are the natural donors that got the money to do it. There was a conference in 2006. There were pledges of \$4.7 billion in assistance to Yemen, but the most recent information is only seven percent of that pledged aid has arrived, and why is that?

MR. GODEC: On the last question, we believe the figure is more like a third. That's still only a third of what became \$5.2 billion (dollars). There were some extra pledges that came in. And part of it is questions of capacity, part of it is questions of governance, lack of

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confidence in some of the institutions of the state. So part of our challenge now is working together, sending a collective message to the government of Yemen about what do we expect in terms of how they would manage this assistance, and providing assistance and actually managing donor funds, managing accounting for donor funds, and delivering services.

We ourselves believe that we need to be working across Yemen. You -- I would describe Yemen as being poorly governed in many cases. We're working, for example, in, through our Middle East Partnership Initiative in 14 governments. We are, AID's new two-prong strategy is trying to get at some of the areas where there has been an absence of government functions, in a way to try to build those functions so that there is a sense by the local population that their grievances are being addressed, that their needs are being met.

The -- what's encouraging out of London was the consensus among the regional partners, the international community and the international organizations that were represented there, which is that we need to be working together. We need to be working, not to interfere in Yemen, not to be imposing international mandate or something on Yemen, but to encourage the Yemenis to put in place the types of systems that are responsive to the real needs of the people.

In addition, we are working through the civil society organizations to help them organize themselves to be able to make demands of the Yemeni government. Yemen has elections next year. April, 2011, there are parliamentary elections in Yemen, and we hope that those elections involve the sorts of groups that would make those elections credible. You know, responsive political parties, active civil society, full engagement by women in the electoral process. In the international community, we'll be sending these sorts of messages and trying to serve assistance as we move ahead.

REP. MILLER: Who are these 200 or 300 people? AQI, al Qaeda and Iraq, appears to be entirely indigenous. They aren't going anywhere. They're just going to stay there. But are these 200 or 300 Yemeni mostly? Are they from elsewhere? Have they fought in Afghanistan?

And, more broadly, are they being -- are they native to Yemen or are they being given sanctuary by other Yemenis, which -- by Yemenis, which suggests more support for them and less support for the government?

MR. GODEC: Congressman, many of them are Yemeni, but some do come from other places. Some of them are Saudi; as we know, at least one of them is also a dual Yemeni-American citizen. They're from a range of places. Some of them do have experience or training in other regions, in South Asia, for example, but many of them are Yemeni and they have built, over time, their relations through the tribal, and marriage, and other ties.

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REP. BERMAN: The time of the gentleman has expired.

At 11:15 I'm going to excuse both witnesses, and any members who have not been able to question them will be the first -- I have the first opportunity to question, assuming that that's the appropriate way to work it out for the next panel.

The gentleman from Florida, Mr. Klein, is recognized for five minutes.

REP. RON KLEIN (D-FL): Thank you, Mr. Chairman.

Mr. Secretary, nice to see you.

And, Mr. Ambassador, thank you for being here.

I think we all understand that there's a clear price to pay if we don't increase our attention to this part of the world. We also know that we have a responsibility to commit serious and rigorous oversight over what we are doing and the resources that we're putting into that area.

The language in the Yemen-U.S. End Use Monitoring Agreement basically says that the equipment can be used for a mutual threat or for, quote, "internal security, individual defense or civic action," close quote. I don't know if I'm alone in thinking this, but the language sounds somewhat ambiguous, and I understand this is standard language for State Department commitments like this.

There was a recent story in The New York Times that talked about Yemeni extremist groups have no trouble in buying or stealing equipment from Yemen's military, which has struggled to maintain its morale, discipline in a region torn by tribal allegiances, and largely beyond control of its government.

Again, I want to be clear, this is the epicenter of what could be a serious problem with al Qaeda, and in other areas. So I'm very committed to the goals here. But we also know we have to be very smart. We've had experiences in the past where we put military equipment, resources in a particular country that isn't stable, and that equipment gets into the hands of people that are not only going after our men and women -- and supplying terrorists.

So the question is, tell me about this End Use Monitoring Agreement -- how we're using it. Has it been revised to reflect an increased commitment to Yemen -- and obviously a need for transparency? And what oversight do we have in making sure that these resources and equipment are going to be used for the purposes intended?

MR. GODEC: Congressman, we are obviously very concerned about the possibility of the misuse of our assistance, whether it be, sort of broadly, developmental assistance or security assistance. We have a variety of controls that are in place in both cases. And specifically, with respect to security equipment, we do have these end use monitoring agreements. We have a "Blue Lantern" program in effect.

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And so we do have the opportunity to follow up. So it's not just a matter of give the equipment, and then it's sort of there, and we don't ever get to see it again. We do have an opportunity to check up on it and to ensure that it's being properly used. And I can assure that, you know, we're quite vigorous in our efforts to help ensure that there is proper use of the equipment that we're giving -- the security equipment.

We do not want it misused. We do not want it transferred or given away, or for other things to happen which would be inappropriate. So it is a serious concern on the part of the embassy. It's a serious concern, I know, on the part of the Department of Defense and others, and we are aggressively working through the various programs that we've got -- "Blue Lantern," and others, to follow up.

REP. KLEIN: Mr. Ambassador, are the challenges different in Yemen, in terms of this oversight? Obviously, each country has its different set of challenges, but knowing what we know about Yemen, and the level of involvement that the government has in controlling the military or how the military's operating, and the threats and the extremist groups there, are you comfortable, at this stage, that we're doing everything we can?

Or not only just language and a commitment agreement, in fact, action is obviously are the key here. Are you comfortable we're doing every single thing we can, or is this an ongoing process to evolve making it as safe as possible?

MR. GODEC: Well, clearly, Congressman, I think it is an ongoing process. It's something we have to evaluate constantly. We have to look at, Are we doing this as well as we can? And in my experience, there's almost always opportunity for improvement in human life, so there may be some opportunities for improvement.

But I am comfortable that we are aggressively following up on this, that we're focused on it, and that there is a genuine effort to ensure that this equipment is being put to the purpose that we -- you know, the administration, that the Congress, and that the American people want that equipment put to, which is helping to enhance the security of Yemen and, therefore, ultimately the security of the United States.

REP. KLEIN: Mr. Secretary, do you have any thoughts on that?

MR. FELTMAN: I concur with what Ambassador Godec said. You know, we're very aware of the human -- of a poor human rights record in Yemen. We're very aware of the fact that the country is awash in a black -- in a black market on weapons. So these factors very much play into how we do the monitoring. And like Ambassador Godec, I'm comfortable with where we are, but this is something we need to watch all the time.

REP. KLEIN: I would ask -- obviously, this is a very important issue, and the worst thing we can have for our country, and our troops, and our interests over there is to find that U.S. weapons are being used against us. So just be vigilant about it, and we'll stay in touch. Thank you.

REP. BERMAN: The time of the gentleman is expired.

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The last questioner, for two minutes, will be the gentlelady from Texas, Ms. Sheila Jackson Lee. Then we'll bring on our next panel.

REP. SHEILA JACKSON LEE (D-TX): Thank you very much to both of you for your service.

Let me commend President Obama for modifying the nation's Yemen policy by asking the National Security Council to undertake a comprehensive review, quite contrary to our friends who've indicated that has not been the case, and quite contrary to the ignoring of Yemen for the last couple of years. Putting that on the table, I believe this is serious. I think it's at a crisis level. And I would ask you to engage the Yemenis, to let them know that it is at a crisis level.

Number one, who are our allies to help us with the Yemen policy about the crisis of al Qaeda and terrorists in Yemen? Who are we working with? Who are we pumping up? Who are we saying, 'This is in your best interests as well?' And finally, their actions have cost lives. I'm very unhappy about it. I don't think we should take them lightly, and I'd like to hear you tell me how we are not taking them lightly. Thank you.

MR. FELTMAN: First, our partners with al Qaeda are virtually everybody -- all 20 countries, and five international organizations that were together in London last week with Secretary Clinton. Everybody recognizes that this is a threat to Yemen, it's a threat to the region, it's a global threat.

So we have partners across the globe, vis-a-vis the al Qaeda -- the al Qaeda threat. And it's particularly important that, you know, the Saudis, and Yemen's immediate neighbors are very, very strong partners on this, and they themselves have been victims of the security threats emanating from Yemen.

REP. LEE: How are you highlighting the crisis -- you know, how are we ramping up? And how are we pushing Saudi to do more?

MR. GODEC: I would just underscore -- I mean, we're in constant contact with the Saudis. I think it's regularly discussed with the Saudis, the issue of Yemen and how to address it. But I think the Saudis themselves, very much seized with this challenge.

REP. BERMAN: (Sounds gavel.) The time of the gentlelady has expired.

REP. LEE: Thank you.

REP. BERMAN: I thank both of you for being with us. Very much appreciate your insights into the situation.

And I now want to welcome our second panel.

(Pause.)

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We very much appreciate your patience, and your being here today, and taking the time to both prepare and share your insights with us.

Dr. Christopher Boucek is an associate in the Carnegie Middle East Program, where his research focuses on regional security challenges. Before joining the Carnegie Endowment, he was a post-doctoral researcher at Princeton University and a lecturer in politics at the Woodrow Wilson School.

Jonathan Schanzer is vice president for research at the Foundation for Defense of Democracies. Until recently, Mr. Schanzer was deputy executive director of the Jewish Policy Center and the editor of the JPC's journal, *inFocus Quarterly*. From 2004 to 2007, Mr. Schanzer served as a counterterrorism analyst at the U.S. Department of Treasury. Les Campbell is a senior associate and regional director for the Middle East and North Africa at the National Democratic Institute. Prior to assuming his current position in 1996, Mr. Campbell served with the NDI in Russia, Croatia, and Serbia. Mr. Campbell just returned from a trip to Yemen where he has been working on governance issues for over a decade.

We look forward to hearing about his experiences on the ground there today.

And, finally, known, I think, to all of us is Bruce Riedel, a senior fellow in the Saban Center for Middle East Policy at the Brookings Institution. In 2006, he retired from the Central Intelligence Agency after 30 years of service. Mr. Riedel serves on the National Security Council staff as the senior adviser on South Asia and the Middle East under the last four presidents.

He was a negotiator at several Arab-Israeli peace summits, including at Camp David and Wye River. In January 2009, President Obama asked him to chair a review of American policy towards Afghanistan and Pakistan, the results of which the president announced in his speech on March 27, 2009.

Mr. Riedel has traveled extensively in Yemen, and it is interesting to note that his father served there with the United Nations during the last days of the British Colony in Aden.

Thank you all for being here.

Dr. Boucek, why don't you start? Your entire statements will be made part of the record. You can summarize.

MR. BOUCEK: Mr. Chairman, Madame Ranking Member, distinguished members of the committee, I'd like to thank you for the opportunity to be here today to discuss this very critical issue about the -- Yemen and American policy towards Yemen.

I think, broadly speaking, Yemen is facing three critical challenges -- economic, human security and demographics, and hard security and terrorism. But I'd like to do very briefly is speak about the first two, about the economy and human security.

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I think one of the things that becomes very apparent when you're looking at Yemen is every issue in the country is connected to every other issue, and they compound one another and make one another worse. On the economy, this is the single-biggest challenge facing the Yemeni government.

About 75 percent of the country's income comes from the sale of oil. Right now, the country is quickly running out of oil, as has been noted in the previous panel. Several years ago, the country was producing about 450,000 barrels a day. Right now, they produce about 180,000 barrels a day. And that's quickly running out.

Within ten years, most likely five years, the country will be out of oil, and there's no planning for a post-oil economy. Right now, there's discussion about liquefied natural gas possibly taking the place of oil sales. However, it's unlikely that natural gas sales would either meet the current volume of sales of oil or would come online in time to -- that oil goes offline.

Furthermore, inflation is current about 12 percent. That's down from 20 percent earlier this year -- earlier last year -- excuse me. Unemployment is official at 35 percent, which is on par with the Great Depression in this country. Unofficially, it's probably closer to 50 percent. And the economy suffers from a whole series of subsidies which fuel the other problems going on in the country.

On human security, there's current 23 million Yemenis. In 20 years, there will be 40 million. And in three decades, there will be 60 million. There is no way that the Yemen economy can absorb all of this labor domestically. Yemen will have to become a net-labor exporter.

Furthermore, education and health care is in a poor state. The Yemeni government is not able to provide social services throughout much of the country. Corruption in governance, as has been mentioned in the previous panel, is a major issue with the way in which the Yemeni government has historically governed has led to more and more problems in the long run.

The biggest probably concern in my estimation is water. The country is quickly running out of water. 19 of 21 aquifers are not being replenished, and it's been estimated that 99 percent of water consumed in the country is extracted illegally. Right now, there is no system to govern the extraction of underground water, and this is something that needs to be focused on.

As the chairman mentioned in his opening remarks, it is very likely that Sanaa will become the first capital in modern history to run out of water, and this is a catastrophic problem. Where 20 million Yemenis or 40 million Yemenis will go when they run out of water is a major concern.

The last issue, hard security, I believe others on the panel will speak about in more depth. There's an ongoing civil war in Saada against Shias, i.e., the revivalists. There's a southern secessionist movement and a resurgent al Qaeda organization which has proved

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over the last years to have the capacity to strike domestically inside the country, regionally inside Saudi Arabia, and now internationally.

And I would just say one thing about the hard security issues, and that's the civil war in Saada is rapidly accelerating the economic collapse of Yemen. The country is spending money at an alarming rate, money that they don't have to spend on water, education, fighting al Qaeda, anything else.

By some estimations, the country is spending over \$200 million a month of hard currency reserves which would equate to about a billion dollars over the course of the last round of fighting. Moreover, the conflict has led to a huge budget deficit forecast for this year -- 23 percent by some estimations.

Over 80 percent of the Yemeni budget is things you can't cut, including salaries, pensions, and subsidies. And this war needs to end not only for the humanitarian reasons but for the immense damage it's doing to the Yemeni economy.

I think I would like to conclude by saying that while we're looking forward and we're thinking about how to engage with Yemen and how to deal with Yemen looking ahead, we need to make sure that we focus on the systemic challenges to Yemeni security. And by that, I mean the economics and the hard security and the human security issues. We need to look at all of this in totality.

It will not be al Qaeda that leads to the downfall of the Yemeni government. It will be these other issues. And, right now, we have the opportunity to get on the right side of this issue by focusing our attention to these long-term issues.

Yemen has always been a weak state, but it has a strong society. I think that's something that we need to keep in mind. Furthermore, I would reiterate what was said in the previous panel that the American government needs to keep the pressure on the Yemenis to make the painful choices that it needs to make on addressing issues like governance, on corruption, on subsidies, and keeping its attention focused on al Qaeda.

And it will be only through the international community keeping the attention on Yemen and leading this discussion that the Yemeni government will make this a priority.

With that, I'd like to thank you again for the opportunity to be here, and I look forward to your questions.

REP. BERMAN: Thank you. That's an optimistic note to start off on. (Laughter.)

Jonathan Schanzer? MR. SCHANZER: Chairman Berman, Ranking Member Ros-Lehtinen, and distinguished members of the committee, on behalf the Foundation for Defense of Democracy, I thank you for the invitation to address you today.

I had the opportunity to visit Yemen in 2003 to conduct research on al Qaeda. During my visit, I met with high-level officials and journalists who made the convincing argument that Yemen was working hard to defeat the terrorist in its midst. Upon my return from

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Yemen, I even wrote several articles praising Yemen's effort, however, those efforts soon flagged.

And today, I believe that Yemen's counterterrorism program is woefully insufficient. Al Qaeda has been active in Yemen since 1989. It attempted its first-known attack against U.S. soldiers in Yemen bound for Somalia in 1992. In subsequent years, al Qaeda used Yemen to house its businesses and logistical hubs. And by the 1990's, al Qaeda's affiliates in Yemen carried out several small operations before shifting their sights to high-profile U.S. targets, notably, the USS Cole in 2000.

More attacks followed. In 2002, al Qaeda elements attacked the French tanker, the Limburg, and they nearly succeeded in shooting down a U.S. oil company's helicopter with SAM missiles and automatic gunfire.

To be clear, the nature of the threat in Yemen is as serious as any country in the Middle East. Al Qaeda has long viewed this country as critical for training, financing, and executing attacks. Yemen's understanding of this, however, was initially slow and begrudging. Only after the Limburg attack did the Yemenis appear to understand the need to work more closely with us.

Thereafter, Yemen developed closer ties with U.S. Special Forces, the CIA, the FBI. It allowed us access to airspace and its waters. It even monitored mosques and launched a public relations campaign whereby clerics convinced young radicals that jihadism was anti-Islamic in nature.

In short, Yemen earned the millions of dollars that we provided them in counterterrorism in the early part of this decade. This effort yielded tremendous results. In November 2002, based on Yemeni intelligence, the CIA launched a hellfire missile on six high-value al Qaeda operatives from a Predator drone. Cooperation with Yemen also yielded many important arrests.

This unlikely success story was remarkable, but it did not last long. In retrospect, this decline was not about a lack of capabilities, it was about Yemen's unwillingness to continue cooperating with the United States. In April of 2003, ten USS Cole suspects somehow escaped from a Yemeni jail. This was shocking. Jailbreaks almost never take place in the Arab world. This raised the question of whether Yemen had allowed the jailbreak to occur. Later that year, President Ali Abdullah Saleh announced he would release dozens of al Qaeda fighters if they simply pledged not to return to terrorism. What began as an influx of Yemeni fight years to the Iraq insurgency led to an increase in terrorist infrastructure.

In 2006, another 20 jihadists broke out of jail. One of them, notably, was Nasir Wahishi, an associate of bin Laden, who went on to lead al Qaeda of the Arabian Peninsula.

In 2007, even as Yemen rounded up terror suspects, it released other high-value prisoners, including bin Laden's former bodyguard and an organizer of the USS Cole attack. Meanwhile, Saleh has welcomed Hamas delegations on several occasions. He confirmed in 2002 that his country had raised \$7.8 million for Hamas. Recently, a Yemeni news agency

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announced that Yemen opened a paramilitary camp for foreign fighters to train in Gaza as well.

Yemen has refused to seize the passports and assets of Abdul Majid al-Zindani, who we heard about earlier, after his designation by the United Nations as an al Qaeda financier. In fact, Zindani traveled to Saudi Arabia in December '05 for a summit of the Organization of the Islamic Conference as part of President Saleh's official delegation.

The current thinking in Washington is that Yemen needs our help. It undoubtedly does; however, upping our aid to Yemen without strict preconditions is not the answer. If Yemen continues to allow terrorists to roam free, the problems in Yemen will continue to mount and it is up to the Yemenis to fix this. The government must prove it will put our taxpayer funds to good use rather than squander them as it has in recent years. The government must prove that it has a plan before we commit our taxpayer money.

Indeed, Yemen must articulate how it will reverse the poor policy choices that have brought us to this position today. U.S. aid should never be guaranteed. U.S. allies must earn it. In recent years, Yemen has failed to uphold its end of the deal. It must now demonstrate that it is ready to get serious about combating terrorism again.

On behalf of the Foundation for Defense of Democracies, I thank you for inviting me to testify here today.

REP. BERMAN: Thank you very much.

Mr. Campbell.

MR. CAMPBELL: Thank you, Mr. Chairman and members of the committee. And on behalf of the National Democratic Institute or NDI, I also thank you for the opportunity to testify today. I returned from Yemen late last week after talks with government and opposition figures and exiled leaders from the south -- the former South Yemen. And my task there -- and NDI has been active in the country for almost 20 years -- my task last week was to seek dialogue and compromise among political leaders as a way of addressing the political concerns, which are at the heart of the war in the north and the unrest in the south.

Unlike the failed states that Yemen is often compared to, the country laid the groundwork for a long-term solution to extremism years ago through democratic and political reforms. President Saleh's decision to establish basic democratic structures arose from a pragmatic decision after the 1990 reunification of north and south that democracy -- or at least elements of democracy -- were necessary to govern a quarrelsome, stratified, armed and proudly independent population in a poor, rugged and diverse country.

The existence of strong leaders from a variety of political groups and tribes, a history of dialogue and consensus building, a vibrant civil society and the existence of nascent democratic institutions all augur well for a comprehensive solution to the country's current instability.

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As was mentioned by a previous speaker, Yemen once led the Arabian Peninsula in democratic reform. It has extended the voting franchise to women, established an independent election commission, held regular -- mostly fair -- elections, encouraged the formation of nongovernmental organizations, tolerated and even encouraged the development of opposition political parties and it has created elected local government councils.

Yemen's parliament, while still developing, has become an important forum for seeking consensus on policy and it does exercise oversight over executive branch decisions, although that oversight is limited.

In an initiative that has been noted as a potential democratic development model for the Arab world, Yemen's main opposition parties ejected extremists from their ranks and formed the Joint Meeting Parties coalition of moderate Islamists and former South Yemen socialists in 2003.

Having said that, democratic institutions have atrophied and the Yemen government's increasing multi -- unilateralism, I should say, is exacerbating the country's challenges. While democratic institutions that have been built could be a part of a genuinely stable government, the limited democratic reforms have not weathered the political crises of the past several years well.

Political debate is becoming polarized; elected local councils lack resources and training and they are hampered by the centrally appointed officials who still exercise control. There is an increasing suspicion that President Saleh is grooming his son -- Colonel Ahmed Ali Saleh, who currently heads the Yemen Republican Guard -- to ascend to the presidency when his term expires. Still others suspect that President Saleh may amend the constitution to extend his term, which should end in 2013.

The current focus on security in Yemen allows the government to skirt responsibility for its own domestic failures. Perversely, some ruling party officials seem to welcome the country's infamy, believing that development aid -- controlled mostly by the ruling party-dominated government -- and more military assistance will bolster their credibility.

The ultimate antidote to Yemen's instability, though, in my opinion can be found in continuing the political reforms started almost 20 years ago. Inclusion and dialogue with the Houthis in the north and the former Southern Yemen leaders and the moderate Islamists combined with better governance will largely muzzle and constrain the extremists.

Last week, I helped facilitate discussion between the ruling GPC and the opposition coalition, suggesting a formula by which the governing party and the opposition could form a joint dialogue committee to find an agenda for talks inclusive of all Yemen political

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factions -- including from the south and the Houthis tribal areas. President Saleh agreed to participate in such a dialogue, but full agreement on the process remains elusive.

At a minimum, the Yemen government should release political prisoners in the south -- estimated at 900 by Human Rights Watch, mostly southerners who have been arrested for planning demonstrations -- as a sign of good faith. The opposition coalition should agree to move forward with a national dialogue if those prisoners are released. The principal dialogue is valid. There will be no lasting antidote to Yemen's instability without inclusive government and some form of power sharing.

Quick recommendations: The ruling regime cannot solve the problems unilaterally. It must work through the existing institutions to help facilitate dialogue. The government of Yemen should enact policies that devolve district and government level, fiscal, social and governing authority to local elected councils that already exist to ensure that local development priorities are reflected in national policy.

Addressing grand corruption must happen. It requires a serious commitment to investigate and prosecute corrupt actors at the highest level of government. And to build confidence in outcomes from the political process, the government of Yemen should implement previously agreed upon political and electoral reforms -- including agreements with the opposition that have been made previously.

For the U.S. government, development assistance should include democratic reform and governance as a key pillar. Aid packages should include clearly defined, achievable benchmarks for democratic reform against which continuation of aid would be evaluated. And finally, security and stabilization strategies supported by the U.S. government and implemented by the government of Yemen should include stipulations to ensure that legitimate, peaceful opposition movements operating within the political framework are not defined as destabilizing political forces not repressed as they are currently.

Thank you very much, Mr. Chairman.

REP. BERMAN: Finally, Mr. Riedel.

MR. RIEDEL: Thank you, Mr. Chairman. Thank you for the other members of the committee.

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I thank you for taking my written testimony into the record. And thank you, Mr. Chairman, for the shout out to my dad. He will deeply appreciate it.

You've already heard how complex, difficult and indeed dire the situation is in Yemen. Much of what I've been listening to the last few minutes I completely agree with. What I'd like to do very briefly is cover three points: Our enemy, our partner and our allies.

Osama bin Laden has had his eye on Yemen as a redoubt for al Qaeda since at least 1989. It's the historic home of his family; he's very familiar with it; he knows the situation there. In the last several years, he has made a concerted effort to try to revive al Qaeda in the Arabian Peninsula and he was behind the decision to merge al Qaeda in Saudi Arabia and al Qaeda in Yemen a year ago. It has turned out to be a force multiplier for both.

Al Qaeda's goals in Yemen I think are twofold at least. First, they seek Yemen to become a base to threaten not just the Yemeni government, but more importantly, Saudi Arabia, the other Gulf States and now to strike globally.

It was no accident that the first attack by the new al Qaeda in the Arabian Peninsula of significance was the attack on Prince Mohammed bin Nayef. He had successfully led the repression of al Qaeda in Saudi Arabia and they sought to eliminate him.

Al Qaeda in the Arabian Peninsula also operates within a network of traditional jihadist and other extremist religious elements. I wouldn't focus so much on the numbers. I think those numbers don't really tell you very much. I would focus on the jihadist networks -- not all of which are violent, but many of which are fellow travelers with al Qaeda and its worldview. The most dangerous element today is, of course, the recruitment of foreigners and Americans who operate against the United States. Secondly, al Qaeda wants to use Yemen to expand the global battle space against America. That is to stretch our resources even further; if possible, to bog the United States down in local conflicts in Yemen, which can become quagmires, and through all of this, relieve some of the pressure that the al Qaeda core in Pakistan and Afghanistan is under way today. The al Qaeda core continues to regard Pakistan as its number one priority, but there it is facing increasing pressure from American efforts.

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The best case for al Qaeda would be to entice, to go -- to lure the United States into another bleeding war in Yemen as part of its grand strategy to wear down the United States through bleeding wars throughout the region.

Al Qaeda's grand strategy is in short to do to the United States in the 21st century what they believe the mujahideen did to the Soviet Union in the 20th century. They would welcome large American deployments of combat troops on the ground.

The United States clearly needs to be aware of this trap. And I think so far the Obama Administration and the American military and CENCOM has been well aware that there is no made-in-the-USA solution to this problem and that as difficult and complex as our partner is, Yemenis have to in the end be the ones who provide law, governance and order in their own country.

Consequently, we need to work with the Yemeni government. You've heard already how flawed it is. Successive American administrations have found dealing with Ali Abdullah Saleh very, very difficult to do. He has his own agenda. He has a record of inconsistency. His sympathy for America is limited, to put it mildly. But he is the leader who is there.

I'm glad to hear that he seems to be more focused on al Qaeda from the administration. That's a step in the right direction. But he continues to be much more concerned about two of his more local problems, the Houthi-Zaidi rebellion in the north, which has been an on and off problem for most of the last decade, which has now dragged the Saudis into the war, as well as secessionism in the south.

Let me say one word about the problem in the north. That deals with the question that you raised of Iranian involvement. Iranian involvement in this conflict is certainly a plausible scenario. But so far the evidence of Iranian involvement is simply not there. We at the Saban Center have looked very hard at the evidence that we can find, and so far it doesn't add up to anything significant.

That doesn't mean there isn't something there we don't know about. But we can't find it, and we would welcome more information from the Yemenis and the Saudi side. More importantly, though, seeing the Houthi rebellion as an Iranian machination is also a trap -- a trap to draw us into a local conflict which is not relevant to America's national security interests. We need to be careful not to be drawn into these local conflicts. And here, the Administration's efforts to encourage dialogue, to encourage a return to cease fires are steps in the right direction.

Second, of course, Saleh is even more worried about southern secessionism. Yemen today is really a country created by a shotgun marriage in 1990 reinforced by a civil war in 1994. Al Qaeda in the Arabian Peninsula seeks to appeal to southern secessionism, seeks to use that as a way to increase its strength and its importance. Here again, you need to be careful not to be drawn into these local conflicts.

A word about our allies. This is very much not just an American problem. Yemen sits athwart one of the most important strategic choke points of the global economy, the Bab-el-Mandeb. I had the opportunity just two months ago to sail through there. There is a

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very impressive international effort to prevent piracy in those waters today, but it's entirely defensive. We have no offensive effort to stabilize the northern and southern shores.

Many, many countries around the world have an interest in stabilizing this -- China, India, the United States, Europe and others. Our challenge has to be to motivate all of them to work together on this. But in particular, the Saudis, the UAE, Qatar and Oman have to be motivated and pushed to take real steps -- not just pledges of support, but real steps to help stabilize Yemen. They need to open up their job markets to Yemenis. There will never be enough jobs for Yemenis in Yemen. But there are jobs in Saudi Arabia and the Gulf States. They need to deliver on their aid promises. They need to deliver on their promises to rebuild the Port of Aden in order to make it a thriving capital once again on the Indian Ocean.

The Administration has made a strong start in London in this direction. But one thing we've learned over the last 30 years of U.S.-Yemeni relations is we've got to have constancy and consistency in our policy. We've got to keep our eye on the ball. It is too easy to lose interest in Yemen because after all it is a remote place on the far side of the world. But as events of the last few months have demonstrated, this is an important country to American national interest.

Thank you very much, and I look forward to your questions.

REP. BERMAN: I thank all of you. And I'm going to recognize on the majority side Mr. Costa first and then Ms. Woolsey, and then on the minority side go in seniority order. So I now yield five minutes to the gentleman from California, Mr. Costa.

REP. JIM COSTA (D-CA): Thank you very much, Mr. Chairman, for this important hearing today. Before I get to my questions to the witnesses, let me -- as it was discussed in the previous panel for the record and I'd like to submit it, indicate that notwithstanding the fact that Guantanamo is an emotional issue and has been both during this administration and the previous administration, there is bipartisan support for closing it.

Robert Gates, Secretary of Defense in both administrations, said Guantanamo itself is a condemnation and will be an advertisement for al Qaeda as long as it's open. Admiral Mullen has said Guantanamo has been a recruiting symbol for extremists and jihadists who would fight us. General David Petraeus and serving both administrations again, "I oversee a region in which the existence of Gitmo has indeed been used by the enemy against us."

Admiral Dennis Blair, "Guantanamo is a rallying cry for terrorist recruitment and harmful to our national security."

And finally General Colin Powell who clearly served in the previous administration said, "Guantanamo's become a major, major problem for America's perception as it's seen and the way the world perceives America. If it were up to me, I would close Guantanamo not tomorrow but this afternoon."

Clearly, this is an issue that notwithstanding its passion and emotion there is overwhelming bipartisan support for closing that facility.

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To Yemen, your reoccurring themes as it relates to the challenges of governance, the problems with the economy and our partners as we try to get it right or recalibrate a prescription to get this current governance that the President on the right track is troubling for me. You said -- I guess I understood in all the witnesses who testified just now that there was a good start I guess in London last week. Is that correct? Am I getting a head nodding there? Maybe, maybe not.

How do we keep the commitment, Mr. Riedel, with your long history, on the point that you closed on with Saudi Arabia, with the other Gulf states to actually make good on their commitments and to ensure that we as a partner and the Europeans are serious about follow through?

MR. RIEDEL: It's deeply ironic for the Saudis now to be supporting the Saleh government since they spent much of the decade trying to overthrow it. But they seem to have finally come around to the notion that he's the only game in town and that he's better than the alternatives. Whether they're willing to put money behind that, open up job opportunities as they said, is the question that remains in front of us.

I think the Administration has to appeal to the king at the highest level. Obama -- President Obama to King Abdullah to recognize this is now a very serious threat not just to us but to Saudi Arabia. After all, it was Prince Mohammed bin Nayef who was almost killed by this group.

I think the Saudis can be brought around. I think they recognize, and I think that attack last August was a wake-up call for them as well.

REP. COSTA: You think their active participation in effect will bring the other Gulf states in, in a serious effort to provide financial support and resources? MR. RIEDEL: It's tricky because there's a lot of rivalry between the Gulf states there.

REP. COSTA: That's -- I absolutely agree.

MR. RIEDEL: The Qataris like to promote reconciliation between the government and local rebels. The Saudis prefer to go after the local rebels. I think we have to provide the leadership, frankly. I think we're going to have to be the ones throughout --

REP. COSTA: We're going to have to provide the glue that keeps this thing stuck together and staying with it. Mr. Campbell, you talked about your efforts last week or in two weeks with the various party factions within Yemen. Is there really a desire to make these weak institutions work?

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MR. CAMPBELL: I think there is desire. As I've mentioned also, the institutions --

REP. COSTA: Or is it just a competition for power and who runs the country?

MR. CAMPBELL: There is some competition. The paramount tribal leader in Yemen, Sheikh Abdullah al-Ahmar died last year, and his sons are attempting to move up the chain. They're attempting to challenge President Saleh's son. So some of this is local politics and jockeying among people seeking power.

REP. COSTA: Yeah.

MR. CAMPBELL: But some I think is genuine.

REP. COSTA: My time's almost up. But to the other two and I don't know if you care to comment on it, but the water issue, I'll get to it and finish with that. I'm heavily involved in in California. But with the issue of the drug problem, that khat, how significant is that a scourge within the population?

REP. BERMAN: Unfortunately, the gentleman's time has expired. But perhaps we can get back to that.

I recognize the ranking member, Ms. Ros-Lehtinen, for five minutes.

REP. ROS-LEHTINEN: Thank you so much.

I do have some questions. But knowing that we may be called to vote at any moment -- oh, well. I'm alone, so I will ask it.

Mr. Schanzer, can you expand on your testimony regarding Yemen's ties to Hamas? What changes should we require from Yemen regarding its ties to this extremist group and other violent extremist groups, as well as their state sponsors?

And also, in your testimony you state, "Of the 74 Guantanamo Bay prisoners who have returned -- who returned to jihadism, at least a dozen have rejoined al Qaeda to fight in Yemen." That's an alarming statistic. When you say, "As long as Yemen fails to take counterterrorism seriously, the transfer of Guantanamo prisoners is ill-advised."

Do you recommend no transfers to Yemen or to anywhere? Thank you, sir.

MR. SCHANZER: Ranking Member Ros-Lehtinen, I thank you very much for the question.

With regard to Hamas, I would posit that the Yemeni government does not view Hamas as a terrorist organization, but rather views it as a resistance organization, and has really been supporting Hamas, whether through training, through weapons, through financing, from almost its inception, from the late 1980s.

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That aid has been stepped up since the year 2000, since the intifada broke out in 2000, where there have been several high-level delegations from Hamas that have come to Yemen. And the president himself has welcomed them and has rolled out the red carpet for them. They've gone around and met with various political officials within Yemen.

So there is a lot of concern there. And it really, I think, underscores the question as to whether we can rely on Yemen to fight some terrorist elements and then ignore others. And I think we need to be asking for consistency as we move forward.

As for Guantanamo Bay, I would say that the figures that you cite from my testimony are, in fact, very alarming; that is a very high percentage of recidivism. And it is my recommendation right now that no prisoner be allowed to return to Yemen at this point until they are able to first get a handle on their prison-break situation, also perhaps articulate their policy of who gets let out of jail and why. And then, more broadly, why is it that such a high percentage of these fighters are returning back to the field?

REP. ROS-LEHTINEN: Thank you so much.

And just one note. We had talked about -- the member had brought out the bipartisan support for the Gitmo closure. I wanted to point out that the House passed the Lewis of California amendment that said no funds should be used to bring Guantanamo detainees to U.S. without a presidential certification that passed June of '09. And there was a motion to recommit that was on the floor preventing an executive order from taking effect, and it failed by only one vote. So I think there's a different interpretation of bipartisan support.

But I will yield back the balance of my time, Mr. Chairman, so some members can ask.

REP. BERMAN: I thank the ranking member.

We've been called for votes, so we have about eight, 10 minutes here. And then I think we're going to have to end this.

The gentlelady from California, Ms. Woolsey.

REP. LYNN WOOLSEY (D-CA): Thank you, Mr. Chairman.

Here's a general question to any of you that would like to take a stab at it. What have we -- or have we learned lessons from our involvement in Iraq and Afghanistan, lessons that can be used regarding Yemen, before we find ourselves sending troops and taking a position that may not fit with the rest of the world?

And can we do something besides military involvement in Yemen early on by adopting a smarter security platform, like increasing development aid, debt relief? Is there -- do we have enough smart ways to try to offset what could happen, consistent with the world's -- well, isn't it one of the world's poorest countries, if not the? And we have to support civil -- can we support civil-society programs, support women? How are women treated in Yemen? And -- but don't start with that. Start with my original earlier question, and we'll talk about women if we have time.

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MR. Schanzer: I'm happy to just address one or two points on that. In terms of what we've learned from Iraq, I think that the recent success, or relative success, let's say, of the surge, I think, underscores the point that we really do need cooperation on the ground from various tribes and political leaders. And I believe that is something that we don't have at this point from Yemen. And there needs to, I think, be a coalition of tribal leaders and elders who are willing to work with the United States to truly -- and Yemeni forces, for that matter -- to truly get to the heart of this terrorist problem.

As for the non-military solutions, you know, we haven't heard much about this. But the Yemeni regime is an authoritarian one, and there is a lot of discomfort with that on the ground in Yemen. The fact that you have a president who's been in power since 1978 and is now grooming his son to succeed him should not be lost on this committee. We need to start to see democratization take place in Yemen. And I think as that starts to happen, hopefully we'll see a drop in militancy as well.

MR. : If I can address your question as well, there are many -- I think there are actually many good-news stories in Yemen. One of them is that, as Assistant Secretary Feltman said, there are 7,000 civil-society organizations in the country, many of them very, very active, very able to do the work. They are service-delivery organizations, women's organizations, handicapped organizations, advocacy organizations. There are elected local councils. And I think, with the devolution of power, with decentralization, they can better address local concerns.

I should also mention that tribal leaders in Yemen already have reached out to the U.S. -- to U.S. non-governmental organizations like NDI, but also to the U.S. government, asking for help in terms of conciliation, getting services to their areas. They're not hostile in most cases, actually, to the U.S. And so you have an infrastructure to build dialogue with the tribes. It does not require military assistance.

On the question of women, Yemen is a very conservative country. It resembles the Gulf countries that way. But women vote. They have been elected both to local councils, hundreds and hundreds of them to the national parliament. They are registered to vote in large numbers and quite assertive. And a number of women have been cabinet ministers, ambassadors and so on. I don't want to gloss it over too much, because there are many challenges, but Yemen has an underlying basis that makes it much more than just a poor conservative country. It has much more potential.

MR. : I could add a point. I think a lesson we've learned in Iraq and Afghanistan is our al Qaeda enemy is very agile, very adaptive. They have a very strong learning curve. And we have to be just as agile and adaptive. We need to not be dragged into local conflicts which we become bogged down in, which become very, very costly for us. That means that the counterterrorism-only or the military-only approach is not the approach that's going to work. The kind of approach that you suggested of trying to build governance, reaching out, bringing in allies, getting others to be part of this, is absolutely crucial. Going it alone, relying purely on troops on the ground, is a strategy that doesn't work.

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MR. : I would just add briefly that, looking at non-military solutions, I think, is something that we can do. Something that would be very helpful would be to help Yemen draft and implement effective counterterrorism legislation so that they could charge the people we would like charged; help train judges and lawyers to convict the people we would like to see convicted; help professionalize the police service so this cuts down on abuse; professionalize the prison service so they stay in prison once they're incarcerated.

I think there are things we can do that are low cost and high impact in that way.

REP. WOOLSEY: I have one second, so this is just a general question. Is it possible if the government is a dictatorship and doesn't want to help us?

REP. BERMAN: I think we'll leave that question in the ether.

The gentleman from Indiana, Mr. Burton, is recognized.

REP. BURTON: I'll go quick, because I know we have votes on.

Let me just ask this question. First of all, I want to make a statement, and that is, there's an organization called SERE, the Survival, Evasion, Rescue and Escape training program. And it's been used by all -- (inaudible) -- Special Forces for generations, including the Navy SEALs. And in that training program, they use waterboarding. These are our troops that they train, and they've been doing it for 30 years.

So when they talk about waterboarding being torture, I think, for the edification of my colleagues, they ought to take a good look at the training that our troops are going through or have been going through for at least 30 years.

Now, let me just ask this question.

Yemen, Mr. -- How do I pronounce your name?

MR. SCHANZER: Schanzer.

REP BURTON: Schanzer. There have been two escapes from the prisons that you were talking about a while ago. And you also said that it's very rare that this takes place. Is the administration there in Yemen, in your opinion, complicit with somebody, maybe an al Qaeda or other organizations, in allowing these people to escape? And would it be because of sympathetic views or because of financial reasons, if they are complicit?

MR. SCHANZER: Well, if you're asking, sir, if the, at the highest levels of government, you know, if they're cooperating with al Qaeda, I would say that the answer is no. What has been alleged from -- and I believe there's been more than two prison breaks. These are the two major ones, but there have been others as well. And these seem to underscore that the security apparatus has been infiltrated by jihadists, by al Qaeda. So, at the mid-level, we're seeing some of that infiltration and cooperation and that largely stems, at least as I understand it, from tribal affiliations, perhaps financial considerations as well.

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REP. BURTON: Well, how can the legal apparatus function there if you've got people who are in opposition to the positions the government's taking and incarcerating these people, how can that system even work? I mean, it seems to me that it's just wide open, and how can the United States work with a government like that, that can't control the prisons?

MR. SCHANZER: Well, Representative Burton, this is exactly the point of my testimony. It's my assertion that Yemen has really failed to demonstrate how it's willing to accept the training and aid that we plan to give it in order to step up its counterterrorism efforts. We need to see, I think, very distinct milestones set by the Yemeni government, and an understanding of where they have been lacking to date, and how they plan to really take things in a new direction.

In my estimation, they have really failed over the last decade. Since the USS Cole bombing, they have learned very little. In fact, I would say they have actually gone backwards. So the question is, as we begin to engage with Yemen, I know we've been hearing lots of warm and wonderful things from the administration, but I would say that, you know, even if they have articulated a renewed interest, what we have seen is a record over the last ten years of going backwards, and this is of grave concern to me and to the Foundation for Defense of Democracies.

REP. BURTON: Well, the only other thing I was going to ask is, you made some comments about the Yemenese government and how we should deal with them. And I just, it escapes me how we can work with them and give them all the money, the financial assistance we're giving them, and you say that that they're going to have to solve the problems themselves because we can't start a third front in the world war against terrorism. If all these things are going on, how are we going to do that?

MR. RIEDEL: Consistency and constancy in our engagement and having our eyes wide open about our partner. We have no delusions about Ali Abdullah Saleh and the people around him. But taking this problem over as an American problem is not the solution either. We only have, we don't have the resources to take it over as Americans.

REP. BURTON: Well, the only I've said, and I'll end with this. It seems to me that if they're going to Yemen away from Pakistan and Afghanistan because of the heat that's been put on them there, and we can't really do whatever is necessary to defeat them, we're going to give them sanctuary in a place, and it's going to cause us more problems down the road.

Thank you, Mr. Chairman.

MR. RIEDEL: I think, Mr. Congressman, we are putting heat on them now and there are real results from some of these military actions by the Yemenis assisted by the United States. My suggestion is, let's not take our eye off the ball six months from now when we think we've got the problem in a redactive mode. We've got to stay at this for a long time to come.

REP. BURTON: Thank you.

Thank you, Mr. Chairman.

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REP. BERMAN: I'm going to yield myself to ask a couple of questions, and hopefully, then get Mr. Scott into this.

Schanzer says strict conditionality on our aid. Riedel says no boots on the ground. Riedel, what do you think of Schanzer's position on aid? Schanzer, what do you think of Riedel's position on boots on the ground?

MR. RIEDEL: If I could, Mr. Chairman, let me be clear. There may be places for special forces. There may be places for particular kinetic action. I don't rule out any kind of military role, but not a large scale Iraq or Afghanistan kind of operation.

REP. BERMAN: I understood -- MR. RIEDEL: Okay.

REP. BERMAN: You were focusing on that.

MR. RIEDEL: Conditionality is always a good idea. It's always very difficult when you're trying to entice the partner to work with you, and how you go about that conditionality. Our experience with Yemen over 30 years, though, argues for a fair amount of conditionality.

MR. SCHANZER: Mr. Chairman, I would actually say that I agree very much with what Mr. Riedel says. I think the idea of putting troops on the ground in significant numbers is ill-advised. The idea of special forces working with the Yemenis, I think, is acceptable. I like the idea of continued predator drone attacks, hell-fire missiles. Why that has stopped in recent years, I do not know.

As I understand it, the Yemenis are uncomfortable projecting the fact that they are working with the United States. This is something that they don't want their population to be aware of. But I would love to see that cooperation continue, and continued joint cooperation on other CT efforts as well.

REP. BERMAN: And then, my final question. Your comment about Yemen and Hamas, you talked about a conservative regime. It is conservative in the sense of Islamic fundamentalists, in the sense of Muslim brotherhood? Is that the appeal, or is it more of a tactical kind of decision about who to ally with?

MR. SCHANZER: Mr. Chairman, Yemen is a very complicated country, to be sure. The government has to appeal to various tribal elements, various political factions. The Islah party, which is the Muslim brotherhood offshoot, is a popular one in Yemen, and I think that it was a tactical decision on the part of the president to figure out a way to support one jihadist movement.

And you have to remember, of course, that the Arab-Israeli conflict, or let's say, resistance against Israel, as they call it, is really the lowest common denominator in the Arab world. This does not excuse, in my opinion, what the president has done, but he has decided that this is the one thing that he can squarely get behind, and I think that it really demonstrates a great deal of inconsistency on the part of the Yemeni government.

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REP. BERMAN: Mr. Scott, for --

REP SCOTT: Yes, thank you very much, sir.

REP. BERMAN: Consistent with us making our vote.

REP. SCOTT: Absolutely. I do want to make this point, though, as I mentioned before, having just come from over there, two points. One is there is a great sense of urgency that I think we need even a greater sense of urgency. We have an immediate problem. Yemen is Ground Zero for the national security of our nation on the war on terror.

It's not coming from Pak-- I think, because we have the troop manifestation up there, but if you look past the USS Cole, if you look at the Fort Hood situation, look at the assassination situation, the Christmas Day underwear bomber, all come out of a situation in Yemen, and there's a reason for that.

Now, what I think is we have to have a dual track. We're sort of in a, not only in a box, but we're sort of in a straitjacket of a box we've got to get out of. I think, after going over there and talking with our special operations people and our Navy Seals, I think that needs to be the approach. We've got to find a way to cripple the operation of al Qaeda in Yemen immediately to give the people in the United States some breathing room and to give us some help on our war on terror here.

That's where the attacks are coming from, that's where it is. But the other thing I wanted to say is that I think there, that there needs to be more emphasis on Yemen from the East Africa standpoint, from the Horn of Africa standpoint. From my visit there, Yemen has far more connection, connectivity to East Africa, particularly the relationship between Somalia and Yemen. They feed one another.

You've got the training camps for al Qaeda in Yemen, but you've also got the training camps for al Qaeda and Al Shabaab connected in Somalia. And so, those are the points that I wanted to try to get out. But I think it's very important for us to emphasize, we have got to kill al Qaeda in Yemen.

REP. BERMAN: I think, as much as I'd like to get your reaction to that, I think if we're going to make the vote, we better adjourn the hearing.

Thank you all very much. We very much appreciate your being with us today.
(Sounds gavel.)

END.