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Terrorism in South Asia

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Summary

This report reviews the recent incidence of terrorism in South Asia, concentrating on Pakistan and India, but also including Afghanistan, Bangladesh, Sri Lanka, and Nepal. The existence of international terrorist groups and their supporters in South Asia is identified as a threat to both regional stability and to the attainment of central U.S. policy goals. Al Qaeda forces that fled from Afghanistan with their Taliban supporters remain active on Pakistani territory, and Al Qaeda is believed to have links with indigenous Pakistani terrorist groups that have conducted anti-Western attacks and that support separatist militancy in Indian Kashmir. Al Qaeda founder Osama bin Laden and his lieutenant, Ayman al-Zawahiri, are widely believed to be in Pakistan. A significant portion of Pakistan's ethnic Pashtun population is reported to sympathize with the Taliban and even Al Qaeda. The United States maintains close counterterrorism cooperation with Pakistan aimed especially at bolstering security and stability in neighboring Afghanistan. In the latter half of 2003, the Islamabad government began limited military operations in the traditionally autonomous tribal areas of western Pakistan. Such operations have since intensified in coordination with U.S. and Afghan forces just across the international frontier.

The relationships between international terrorists, indigenous Pakistani extremist groups, and some elements of Pakistan's political-military structure are complex and murky, but may represent a serious threat to the attainment of key U.S. policy goals. There are past indications that elements of Pakistan's intelligence service and Pakistani Islamist political parties provided assistance to U.S.-designated Foreign Terrorist Organizations (FTOs). A pair of December 2003 attempts to assassinate Pakistan's President Musharraf reportedly were linked to Al Qaeda. Lethal, but failed attempts to assassinate other top Pakistani officials in summer 2004 also were linked to Al Qaeda-allied groups. Security officers in Pakistan have enjoyed notable successes in breaking up significant Al Qaeda and related networks operating in Pakistani cities, although numerous wanted militants remain at large.

The 9/11 Commission Report contains recommendations for U.S. policy toward Pakistan, emphasizing the importance of eliminating terrorist sanctuaries in western Pakistan and near the Afghanistan-Pakistan border and calling for provision of long-term and comprehensive support to the government of President Musharraf so long as that government remains committed to combating extremism and to a policy of "enlightened moderation." Legislation passed by the 108th Congress (S. 2845) seeks to implement this and other Commission recommendations.

The United States remains concerned by the continued "cross-border infiltration" of Islamic militants who traverse the Kashmiri Line of Control to engage in terrorist acts in India and Indian Kashmir. India also is home to several indigenous separatist and Maoist-oriented terrorist groups. Moreover, it is thought that some Al Qaeda elements fled to Bangladesh. The Liberation Tigers of Tamil Eelam (LTTE) of Sri Lanka have been designated as an FTO under U.S. law, while Harakat ul-Jihad-I-Islami/Bangladesh, and the Communist Party of Nepal (Maoist)/United Peoples Front, appear on the State Department's list of "other terrorist groups."

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Terrorism in South Asia

This report reviews the recent incidence of terrorism in South Asia, concentrating on Pakistan and India, but also including Afghanistan, Bangladesh, Sri Lanka, and Nepal.¹ In the wake of the September 2001 terrorist attacks on the United States, President Bush launched major military operations in South and Southwest Asia as part of the global U.S.-led anti-terrorism effort. Operation Enduring Freedom in Afghanistan has seen substantive success with the vital assistance of neighboring Pakistan. Yet the United States remains concerned that members of Al Qaeda and its Taliban supporters have found haven and been able, at least partially, to regroup in Pakistani cities and in the rugged Pakistan-Afghanistan border region. This latter area is inhabited by ethnic Pashtuns who express solidarity with anti-U.S. forces. Al Qaeda also reportedly has made alliances with indigenous Pakistani terrorist groups that have been implicated in both anti-Western attacks in Pakistan and terrorism in Indian Kashmir. These groups seek to oust the government of President Gen. Pervez Musharraf and have been named as being behind two December 2003 assassination attempts that were only narrowly survived by the Pakistani leader. In fact, Pakistan's struggle with militant Islamic extremism appears for some to have become an matter of survival for that country.² Along with these concerns, the United States expresses an interest in the cessation of "cross-border infiltration" by separatist militants based in Pakistani-controlled areas who traverse the Kashmiri Line of Control (LOC) to engage in terrorist activities both in Indian Kashmir and in Indian cities. U.S.-designated terrorist groups also remain active in Bangladesh, Nepal, and Sri Lanka.

In March 2004, the Assistant Secretary of State for South Asia, Christina Rocca, told the Senate Foreign Relations Committee that the top U.S. policy goal in the region is "combating terror and the conditions that breed terror in the frontline states of Afghanistan and Pakistan."³ *The 9/11 Commission Report*, released in July 2004, emphasizes that the mounting of large-scale international terrorist attacks appears to require sanctuaries in which terrorist groups can plan and operate with impunity. It also notes that Al Qaeda benefitted greatly from its former sanctuary in Afghanistan that was in part made possible by logistical networks that ran through Pakistan. The report further notes that Pakistan's vast unpoliced regions remain attractive to extremist groups and that almost all of the 9/11 attackers traveled the north-south

¹ "Terrorism" here is understood as being "premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents, usually intended to influence an audience" (see Title 22, Section 2656f(d) of the United States Code).

² See, for example, Syed Rifaat Hussain, "War Against Terrorism: Pakistani Perspective," *IPRI Journal* (Islamabad), Winter 2004, p. 42.

³ "State's Rocca Outlines Assistance Plans for South Asia," U.S. Department of State Washington File, Mar. 2, 2004.

nexus from Kandahar in Afghanistan through Quetta and Karachi in Pakistan. The Commission identifies the government of President Musharraf as the best hope for stability in Pakistan and Afghanistan, and recommends that the United States make a long-term commitment to provide comprehensive support for Islamabad so long as Pakistan itself is committed to combating extremism and to a policy of “enlightened moderation.”⁴

Legislation passed by the 108th Congress seeks to implement this and other Commission recommendations, in part through the provision of comprehensive and long-term assistance to Pakistan.⁵ The National Intelligence Reform Act of 2004 (P.L. 108-458) calls for U.S. aid to Pakistan to be sustained at a minimum of FY2005 levels, with particular attention given to improving Pakistan’s education system, and extended the President’s authority to waive coup-related sanctions through FY2006. It further required the President to report to Congress by June 15, 2005, a description of a long-term U.S. strategy to engage with and support Pakistan. In passing the Foreign Operations FY2005 Appropriations bill (P.L. 108-447), Congress approved the President’s \$700 million aid request for Pakistan, half of which is to fund security-related programs.⁶ Pending legislation in the 109th Congress includes the Targeting Terrorists More Effectively Act of 2005 (S. 12). Sec. 232 of the bill identifies “a number of critical issues that threaten to disrupt” U.S.-Pakistan relations, calls for “dramatically increasing” USAID funding for Pakistan-related projects, would require the President to report to Congress a long-term strategy for U.S. engagement with Pakistan, would set nuclear proliferation-related conditions on assistance to Pakistan, and would earmark \$797 million in economic and military assistance to Pakistan for FY2006.

Most Recent Developments

In early 2005, the United States began advertizing in mass-circulation Urdu-language newspapers and on radio and television stations in Pakistan’s Northwest Frontier Province to promote a rewards program for wanted **Al Qaeda** suspects. In May, Al Qaeda fugitive Abu Faraj al-Libbi, a Libyan native wanted in connection with lethal December 2003 attempts to assassinate President Musharraf, was captured in the northwestern Pakistani city of Mardan. Information provided by Libbi reportedly led to the arrest of six suspected Al Qaeda members, including two Arabs and four Pakistanis, and the targeted killing of an alleged Al Qaeda bomb expert near the Afghan border. Musharraf claimed that Pakistan had “broken their [Al Qaeda’s] back” with recent arrests. Two months later, in the wake of deadly July bombings

⁴ See Sections 12.1 and 12.2 of *The 9/11 Commission Report*, available at [<http://www.gpoaccess.gov/911/>]; Pervez Musharraf, “A Plea for Enlightened Moderation,” *Washington Post*, June 1, 2004.

⁵ See CRS Report RL32518, *Removing Terrorist Sanctuaries: The 9/11 Commission Recommendations and U.S. Policy*.

⁶ The Emergency Supplemental Appropriations Act, 2005 (P.L. 109-13) funding of \$150 million in FMF and \$4 million in additional counter-drug funding brought total estimated FY2005 U.S. assistance to about \$692 million.

in Britain and Egypt, Musharraf again declared that Al Qaeda's ability to operate in Pakistan had been destroyed.⁷ Debate over the whereabouts of fugitive Al Qaeda founder Osama bin Laden continues to focus on the rugged Afghan-Pakistani border region: Pakistani officials generally insist there is no evidence that bin Laden is hiding there, but numerous U.S. officials have suggested otherwise. In June, Director of Central Intelligence Goss claimed to have "an excellent idea of where [bin Laden] is" and suggested that "sanctuaries in sovereign states" and "our sense of international obligation" present obstacles to his capture.⁸ The Pakistani president has issued contradictory statements on the topic.

Efforts to kill or capture Al Qaeda and Taliban militants near **the Afghanistan-Pakistan border** continue to bring mixed results. An apparently resurgent Taliban has suffered major battlefield losses in eastern and southern Afghanistan during the spring and summer of 2005, but U.S. and Afghan officials continue to claim that insurgents are able to cross into Afghanistan to attack U.S.-led forces before returning to Pakistan and, in June, Afghan officials were complaining of a "steady stream of terrorists" entering their country from Pakistan. The Afghan-Pakistani rift deepened, spurring President Bush to make a personal call to Musharraf in an effort to smooth relations between two key U.S. allies in the region. In July, Pakistan reported moving 4,000 additional troops to the border region, bringing the total to some 80,000, and Prime Minister Aziz visited Kabul, where he vowed "seamless cooperation" with the Afghan government in fighting terrorism and Islamic extremism. Still, U.S. officials continue to urge Islamabad (and Kabul) to "do more" to end insurgent operations in the region and some reports indicate that Taliban recruiting and training continues to take place on Pakistani territory without government interference.⁹

Pakistan's western tribal regions continue to be the site of tensions and sporadic Islamic militant-related violence. Pakistani military operations in South Waziristan wound down in 2004. Late in that year, the regional Pakistani corps commander declared that "peace has been restored in Wana," the area where the bulk of combat had taken place. Attention has become focused on the North Waziristan district, where scores and possibly hundreds of "unwanted foreigners" have found refuge. The Islamabad government is using a carrot-and-stick approach, offering economic and infrastructure development incentives to encourage cooperation from

⁷ "Six Al Qaeda Suspects Arrested," *Dawn* (Karachi), May 9, 2005; Dana Priest, "Surveillance Operation in Pakistan Located and Killed Al Qaeda Official," *Washington Post*, May 15, 2005; Jo Johnson and Farhan Bokhari, "Al Qaeda's Back Has Been Broken, Says Musharraf," *Financial Times* (London), May 15, 2005; Farhan Bokhari, "Pakistan Claims Al Qaeda Command Destroyed," *Financial Times* (London), July 25, 2005.

⁸ "10 Questions for Porter Goss," *Time*, June 27, 2005.

⁹ Robert Birsell, "Afghan Rebels Attack From Pakistan," Reuters, May 16, 2005; "Afghan Violence Shatters Pakistan Alliance," *New York Times*, June 22, 2005; "Extra Troops for Afghan Border," BBC News, July 6, 2005; "Pakistan to Help Afghans Contain Election Strife," *New York Times*, July 25, 2005; "US Says Wants More Pressure on Afghan Insurgents," Reuters, July 14, 2005; Jay Solomon, et. al., "Despite U.S. Effort, Pakistan Remains Key Terror Hub," *Wall Street Journal*, July 22, 2005; Paul Watson, "Pakistan Connection Seen in Taliban's New Tactics," *Los Angeles Times*, July 28, 2005.

tribal chieftains while threatening use of force in those areas where militants are given haven. Yet cooperative tribal leaders have come under lethal attack by militants and resistance to Islamabad's cooperation with U.S.-led efforts in Afghanistan remains widespread. On July 15, U.S. forces based in Afghanistan exchanged heavy weapons fire with militants just across the border in Pakistan, killing 24 of them. Thousands of Pakistani tribesmen later denounced the U.S. action and Pakistan told the United States that border violations would not be tolerated.¹⁰

Pakistan continues to struggle with a virulent strain of belligerent Islamism that some analysts say threatens the survival of the country. In December 2004, President Musharraf called his "biggest fear" the extremism, terrorism, and militancy that has "really polluted society in Pakistan." He also conceded that some of Pakistan's religious schools are part of the problem: "There are many [madrasahs] which are involved in militancy and extremism."¹¹ Major sectarian bomb attacks in May again raised questions about the ability of Pakistan's security forces to maintain order in the country's urban centers (where, not incidentally, the great majority of top Al Qaeda fugitives have been found). Positive news did come with July announcements that the Islamabad government would reinvigorate its efforts to curtail indigenous terrorism by detaining suspected militants, shuttering the offices of extremist groups, and regulating the activities of the country's thousands of religious schools, some of which are involved in the teaching of militancy.

Pakistan-U.S. counterterrorism cooperation continues apace. In November 2004, the Pentagon notified Congress of three possible major Foreign Military Sales to Pakistan involving eight P-3C maritime reconnaissance aircraft, 2,000 TOW anti-armor missiles, and six Phalanx naval guns. The deals could be worth up to \$1.2 billion for Lockheed Martin and Raytheon, the prime contractors. The Department of Defense characterized the P-3Cs and TOW missiles as having significant anti-terrorism applications (a claim that elicited skepticism from some analysts), and it asserted that the proposed sales would not affect the military balance in the region. India's external affairs minister later "cautioned the United States" against any decision to sell F-16 fighter jets to Pakistan, adding that the "U.S. arms supply to Pakistan would have a negative impact on the goodwill the United States enjoys with India, particularly as a sister democracy."¹² Yet, in March 2005, the Bush Administration announced that the United States would resume sales of F-16 fighters to Pakistan after a 16-year hiatus (see CRS Report RS22148, *Combat Aircraft Sales to South Asia*).

Separatist-related violence and terrorism in **Kashmir** has increased in the summer of 2005. The India-Pakistan peace initiative begun in April 2003 continues, most concretely with a formal cease-fire agreement along the Kashmiri Line of

¹⁰ Haji Mujataba, "Pakistani Tribesmen Vent Anger Over US Counter-Attack," Reuters, July 16, 2005; "Border Violations Will Not Be Tolerated, Abizaid Told," *Daily Times* (Lahore), July 20, 2005.

¹¹ "Transcript: Interview With Pervez Musharraf," CNN Late Edition, Dec. 5, 2004.

¹² "India Cautioned US Against Selling F-16s to Pakistan: Foreign Minister," Agence France Presse, Dec. 8, 2004; "Pranab Sticks to His Guns," *Telegraph* (Calcutta), Dec. 12, 2004.

Control (LOC) and the entire international border (the cease-fire has held for nearly two years). In April 2005, a new bus service was launched in the disputed Kashmir region and the Indian and Pakistan leaders called the bilateral peace process “irreversible.” However, while New Delhi indicates that rates of militant infiltration across the LOC are down significantly as compared to past years, ongoing separatist-related violence in India’s Jammu and Kashmir state has claimed scores of lives and Indian officials have renewed criticisms that Pakistan has not acted to eliminate the “terrorist infrastructure” on Pakistani territory.

In **India’s northeastern states**, decades-old separatist movements continue. After two Assamese separatist leaders reportedly surrendered in February, United Liberation Front of Assam terrorists conducted a series of coordinated bomb attacks in March, spurring Indian security forces to launch a 2,000-man operation against militants there in April. In May, New Delhi signed a truce with the National Democratic Front of Bodoland, a leading Assamese separatist group designated as terrorists by the Indian government. Moreover, rebels continue to make deadly assaults on government forces in Manipur.¹³ Meanwhile, attacks perpetrated by **Maoist “Naxalites”** operating in India (the two largest organizations being U.S.-designated terrorist groups) became more numerous and have cost scores of lives in 2005. Maoist militants are said to have expanded their operations into more than half of India’s 28 states, spurring some observers to issue dire warnings about India’s deteriorating internal security circumstances. New Delhi vows to bolster the capabilities of security forces battling the militants.¹⁴ Other recent terrorist violence in India included a July incident in which six militants, including a suicide bomber, were killed in the midst of an unsuccessful attack on the site of a controversial temple that is claimed by both Hindus and Muslims in the Uttar Pradesh city of Ayodhya. Ensuing protests by Hindu activists led to thousands of arrests. The culprits reportedly were linked to the Pakistan-based Lashkar-e-Taiba terrorist group.¹⁵

India-U.S. counterterrorism cooperation appears set to further expand. In June, the United States and India signed a ten-year defense framework agreement which lists “defeating terrorism and violent religious extremism” as one of four key shared security interests, and which calls for a bolstering of mutual defense capabilities required for such a goal.¹⁶

¹³ “Assam Separatist Chiefs Surrender,” BBC News, Feb. 28, 2005; “India: United Liberation Front of Assam,” *Jane’s Terrorism & Security Monitor*, Mar. 16, 2005; “India Moves Against Assam Rebels,” BBC News, Apr. 1, 2004; “India Truce With Bodo Rebels,” BBC News, May 24, 2005.

¹⁴ Josy Joseph, “Naxalism: Biggest Threat to India,” *Times of India* (Delhi), May 10, 2005; “Naxalites on Patil Radar,” *Telegraph* (Calcutta), July 11, 2005.

¹⁵ “Hindu Groups Rage Against India Holy Site Attack,” Reuters, July 6, 2005; Atiq Khan and Arun Sharma, “Lashkar’s Terror Track to Ayodhya Traced,” *Indian Express* (Bombay), July 15, 2005.

¹⁶ “Statements Made by U.S. Secretary of Defense Donald Rumsfeld and Indian Defense Minister Pranab Mukherjee,” U.S. Department of Defense News Transcript, Dec. 9, 2004; “New Framework for the U.S.-India Defense Relationship,” June 28, 2005, available at [http://www.indianembassy.org/press_release/2005/June/31.htm].

On August 17, about 350 small bombs exploded almost simultaneously across **Bangladesh**, killing at least two people and injuring more than 125 others. No one claimed responsibility for the attacks, but leaflets produced by the banned militant Jamatul Mujahideen and calling for Islamic law in Bangladesh were found at most sites. Numerous suspects subsequently were arrested, including many suspected members of the Jamatul Mujahideen. The United States offered law enforcement assistance to Dhaka in its ongoing investigation of the blasts.¹⁷ After meeting with U.S. Assistant Secretary of State Christina Rocca, on May 12, 2005, in Dhaka, Bangladesh Foreign Minister M. Morshed Khan reportedly stated that he was optimistic that Bangladesh would receive American assistance for capacity building to improve the law and order situation in Bangladesh.¹⁸ It was also reported that the two discussed the need to better protect the coastal zone from piracy and to build up Bangladesh's capacity to face any terrorist challenges.¹⁹ During her visit, Rocca reportedly urged Bangladesh to "go after those who would undermine its long tradition of tolerance, moderation and peace." Rocca welcomed Bangladesh's ban on the Jamatul Mujahideen and the Jagrata Muslim Janata Bangladesh for their alleged role in recent bombings.²⁰ Foreign Minister Morshed Khan met with Secretary of State Rice during his visit to Washington later in May 2005. At that time, he reiterated Bangladesh's commitment to work with the United States in the war against terror. Rice described Bangladesh as "a democratic force and a voice of moderation."²¹ Foreign Minister Khan reportedly described the U.S. view of Bangladesh as "an unavoidable partner" in bridging religious divides across the world."²² Bangladesh recently assumed the Chair of the BIMSTEC grouping comprised of Bangladesh, Bhutan, India, Nepal, Burma, Sri Lanka, and Thailand. The June 1, 2005 BIMSTEC meeting in Dhaka reportedly reviewed progress of a joint working group on terrorism which met in Delhi in December 2004.²³

Assistant Secretary Rocca also traveled to **Nepal** during her May 2005 trip to South Asia. There is rising concern among some analysts that King Gyanendra's February 1, 2005 takeover has broadened the divide between the king and democratic elements in the country and thereby weakened the government's ability to fight the Maoists. Such a situation favors the Maoists as it appears to preclude a unified front against them. Violence has increased in recent months and the death toll of the conflict with the Maoists is now thought to exceed 11,500. India may be increasingly

¹⁷ "Concerted Bombs Hit 100 Bangladesh Sites," Associated Press, Aug. 18, 2005; "US Offers FBI Support for Probe Into Blasts," *New Nation* (Dhaka), Aug. 29, 2005.

¹⁸ "Dhaka Hopeful of U.S. Help for Capacity Building," *Asia-Pacific News Agencies*, May 12, 2005.

¹⁹ "Dhaka, Washington Discuss Roadmap for Bilateral Relations," *Asia Pulse*, May 13, 2005.

²⁰ "Top US Diplomat Ends S Asian Tour Urging Action on Terrorism," *Agence France Presse*, May 14, 2005.

²¹ "Morshed-Condoleezza Talks," *United News of Bangladesh Limited*, May 20, 2005.

²² "Bangladesh Unavoidable Partner of America," *United News of Bangladesh*, May 29, 2005.

²³ "Bangladesh Assumes BIMSTEC Chair," *United News of Bangladesh*, June 3, 2005.

concerned that the conflict in Nepal could spill over into neighboring areas. Maoist tactics are reportedly changing with increased daytime attacks and increased use of roadblocks and blockades. In August, Kathmandu accused Maoist rebels of “executing” 40 captured soldiers in the deadliest incident since the king’s February power seizure, spurring analysts to again conclude that the government’s counterinsurgency efforts are making little headway.²⁴

The **Sri Lanka** peace process has come under new threat after the August 12 assassination of Foreign Minister Lakshman Kadirgamar, an ethnic Tamil known for his vehement anti-rebel stance. Kadirgamar also was one of President Kumaratunga’s closest allies. The Liberation Tigers of Tamil Eelam (LTTE) denied playing any role in the murder, but the cease-fire may not hold.²⁵ The peace process had already been stalled with growing instability as divisions within the LTTE ranks has devolved into internecine warfare and targeted assassinations amongst the Northern and Eastern factions. The LTTE leadership has also attempted to apply pressure on both the Sri Lankan Government and the Norwegian-backed Sri Lanka Monitoring Mission (SLMM) by staging isolated attacks on Sri Lankan units accompanied by monitors. The LTTE also announced in May 2005 that it is looking at acquiring an air capability, which is in violation of the cease-fire and could be destabilizing due to the possibility that such capabilities could be used in terrorist suicide-bombings. Divisions within the Sri Lankan government have hampered talks as well, as there are internal disagreements over negotiating strategies and possible concessions to the LTTE in any eventual peace agreement. The U.S. Administration has voiced continuing support for negotiations and the possibility of peace in Sri Lanka and continues to call on the LTTE to disarm and disavow violence.

Al Qaeda, the Taliban, and Pakistani Extremism²⁶

The Al Qaeda-Taliban Nexus

Among the central goals of Operation Enduring Freedom are the destruction of terrorist training camps and infrastructure within Afghanistan, the capture of Al Qaeda and Taliban leaders, and the cessation of terrorist activities in Afghanistan.²⁷

²⁴ Removing Terrorist Sanctuaries: The 9/11 Commission Recommendations and U.S. Policy; “Nepal Country Report,” *Economist Intelligence Unit*, Feb. 2005; “At Least 66 Killed as Nepal Battles Maoist Rebels in Western District,” *New York Times*, Aug. 10, 2005.

²⁵ Somini Sengupta, “Assassination Threatens to End Cease-Fire in Sri Lanka,” *New York Times*, Aug. 14, 2005.

²⁶ This section written by (name redacted), Analyst in Asian Affairs. See also CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy*, by (name redacted); and CRS Report RL32759, *Al Qaeda: Statements and Evolving Ideology*, by Christopher Blanchard.

²⁷ Al Qaeda members are most readily identified as being Arabs or other non-Afghans who primarily are fighting an international jihad; Taliban members are ethnic Pashtun Afghans and Pakistanis who primarily are fighting for Islamic rule in Kabul and/or Islamabad. Al
(continued...)

Most, but not all, of these goals have been achieved. However, since the Taliban's ouster from power in Kabul and subsequent retreat to the rugged mountain region near the Afghanistan-Pakistan border, what the U.S. military calls its "remnant forces" have been able to regroup and to conduct "hit-and-run" attacks against U.S.-led coalition units, often in tandem with suspected Al Qaeda fugitives. These forces are then able to find haven on the Pakistani side of the border.²⁸ One senior Pakistani official was quoted as saying that South Waziristan, a district of the traditionally autonomous Federally Administered Tribal Areas (FATA), had by mid-2002 become "the hub of Al Qaeda operations in the whole world." Three years later, some analysts continue to call Pakistan "the global center for terrorism and for the remnants of Al Qaeda."²⁹ Al Qaeda founder Osama bin Laden and his lieutenant, Egyptian Islamic radical leader Ayman al-Zawahiri, are believed by many to be in Pakistan's North West Frontier Province, an area roughly the size of Virginia. Pakistani officials generally insist there is no evidence that bin Laden is hiding in the border region,³⁰ but numerous U.S. officials have suggested otherwise.³¹ In June 2005, Director of Central Intelligence Goss claimed to have "an excellent idea of where [bin Laden] is" and suggested that "sanctuaries in sovereign states" and "our sense of international obligation" present obstacles to his capture.³² The Pakistani president has issued contradictory statements on the topic of bin Laden's

²⁷ (...continued)

Qaeda is designated as a Foreign Terrorist Organization under U.S. law; the Taliban are Specially-Designated Global Terrorists (see the U.S. Treasury Department's master list at [<http://www.ustreas.gov/offices/eotffc/ofac/sdn/index.html>]).

²⁸ Director of Central Intelligence George Tenet, Testimony Before the Senate Select Intelligence Committee, Feb. 24, 2004; Robert Birsell, "Afghan Rebels Attack From Pakistan," Reuters, May 16, 2005. Pakistan's western regions are populated by conservative ethnic Pashtuns who share intimate religious and tribal linkages with their counterparts in Afghanistan and who are seen to sympathize with Taliban and sometimes Al Qaeda forces while holding vehement anti-Western and anti-American sentiments (see, for example, Eliza Griswold, "In the Hiding Zone," *New Yorker*, July 26, 2004).

²⁹ James Risen and David Rohde, "A Hostile Land Foils the Quest for Bin Laden," *New York Times*, Dec. 13, 2004; "Interview With Pakistani Scholar Ahmed Rashid," *Spiegel* (Hamburg), July 22, 2005.

³⁰ In January 2005, a recently retired Pakistani general who had led the hunt for Al Qaeda fugitives in western tribal areas said the hunt for bin Laden on Pakistani territory was "pointless," as he had seen "not a single indication" that the Al Qaeda founder was in Pakistan (Christina Lamb, "Bin Laden Hunt is 'Pointless,'" *London Sunday Times*, January 23, 2005).

³¹ In late-2004, then-Secretary of State Powell, a top U.S. military commander in Afghanistan, and a member of the 9/11 Commission issued separate suggestions that the Al Qaeda founder is in that area (Secretary Colin Powell, "Interview by Clarence Page of the Chicago Tribune," U.S. Department of State Washington File, Oct. 14, 2004; Mike Collett-White, "Osama Probably Alive, in Pakistan, Top Officials Say," Reuters, Sep. 27, 2004; Jim Mohr, "Osama Hiding in Pakistan," *San Bernardino Sun*, Oct. 21, 2004).

³² "10 Questions for Porter Goss," *Time*, June 27, 2005.

whereabouts.³³ Some analysts speculate that bin Laden's capture in Pakistan could create a backlash among his sympathizers there and some reports suggest growing U.S. frustration with the lack of progress in finding "high value targets" in the region.³⁴

Pakistan-Afghanistan Relations. The frequency of attacks on U.S.-led coalition forces in southern and eastern Afghanistan increased throughout 2003 and, in October of that year, then-U.S. Special Envoy and Ambassador to Afghanistan Zalmay Khalilzad warned that resurgent Taliban and Al Qaeda forces presented a serious threat to Afghan reconstruction efforts. In the wake of spring 2004 military operations by Pakistan near the Afghan border, the Afghan foreign minister praised Pakistan for its role in fighting terrorism, but Afghan President Karzai expressed concern that militants trained on Pakistani territory continue to cross into Afghanistan to mount anti-government attacks there.³⁵ Karzai paid a visit to Islamabad in August 2004, where President Musharraf assured him that Pakistan would not allow extremists to use Pakistani territory to disrupt upcoming Afghan elections. Just days before those October 2004 elections, Islamabad announced having moved extra troops and "quick reaction forces" near the Afghan border to prevent militant infiltrations. Although the top U.S. general in Afghanistan had earlier expressed concerns that Al Qaeda-linked operatives were actively encouraging militants to disrupt the elections, the successful and mostly peaceful polling led him to later declare that the Taliban were no longer a meaningful threat to Afghan stability.³⁶

However, the influence of Pashtun tribal animosities and lingering pro-Taliban sentiments — combined with reports that some elements of Pakistan's security apparatus and Islamist religious parties remain sympathetic to anti-U.S. forces —

³³ In December 2004, President Musharraf claimed that bin Laden's trail had gone cold, with no recent intelligence on where he and his top lieutenants were hiding. He suggested that the United States was partly responsible because a shortage of U.S.-led forces on the Afghan side of the border had left "voids." However, in June 2005, Musharraf called it likely that bin Laden was still alive and living near the Afghan border where "it's very easy for a person to hide" (Robin Wright and Peter Baker, "Musharraf: Bin Laden's Location is Unknown," *Washington Post*, Dec. 5, 2004; "Pakistan's Musharraf Says Osama Bin Laden Still Alive," Agence France Presse, June 14, 2005).

³⁴ See, for example, the comments of former Central Intelligence Agency official Gary Schroen in "Search for Osama at an Apparent Stalemate," National Public Radio (transcript), May 3, 2005; Gordon Corera, "US 'Impatience' in Bin Laden Hunt," BBC News, June 20, 2005; "Bin Laden Search Hampered by Musharraf's Dilemma," *Jane's Foreign Report*, July 7, 2005.

³⁵ Carlotta Gall, "Taliban May Be Planning Larger Attacks, U.S. Envoy Says," *New York Times*, Oct. 7, 2003; Sayed Salahuddin, "Kabul Asks Pakistan to Do More on Terrorism," Reuters, July 12, 2004.

³⁶ "Pakistan Will Not Allow Militants to Disrupt Afghan Polls," *News* (Karachi), Aug. 24, 2004; "More Troops Moved to Western Border," *Daily Times* (Lahore), Oct. 6, 2004; Carlotta Gall, "Al Qaeda Tries to Upset Afghan Vote," *New York Times*, Sep. 26, 2004; "Coalition General Says Afghan Election Major Defeat for Taliban," U.S. Department of State Washington File, Oct. 20, 2004.

have some analysts concerned that the Musharraf government is insufficiently committed to pacifying the border.³⁷ Political tensions related to Afghan instability and Pakistan's role again rose in 2005, reaching alarming levels in mid-year. In January, a "misunderstanding" led to a cross-border exchange of artillery and machinegun fire between Afghan and Pakistani troops.³⁸ In April, a top U.S. military commander in Afghanistan claimed that Pakistan was preparing to launch military operations in North Waziristan near the Afghan border. A Pakistani general later denied the claim and called the comments "highly irresponsible."³⁹ A May *Newsweek* magazine report claimed that a Koran had been desecrated at the U.S. facility at Guantanamo Bay, allegedly spurring violent anti-U.S. protests in both Afghanistan and Pakistan (senior U.S. and Afghan officials later disputed the connection).⁴⁰ Subsequent questions were raised about a possible role of Pakistan's intelligence service in sparking the riots; some Pakistani strategists may oppose a long-term U.S. presence in Afghanistan, viewing it as inimical to Islamabad's interests in the region.⁴¹

Revived Taliban insurgent activity killed many hundreds in Afghanistan during the spring of 2005. In May, a U.S. Army colonel in Kabul commended Pakistan's "considerable" military efforts in Waziristan, but said insurgents continue to cross into Afghanistan to attack U.S.-led forces before returning to Pakistan.⁴² By June, Afghan officials were complaining of a "steady stream of terrorists" entering their country from Pakistan, and the Afghan president made a personal appeal to his Pakistani counterpart to halt the exfiltration. President Musharraf issued assurances of full support for the Kabul government, but Afghan authorities reported arresting three Pakistani nationals minutes before they planned to kill the outgoing U.S. Ambassador to Afghanistan, Zalmay Khalilzad, in Kabul. The Afghan-Pakistani rift deepened, spurring President Bush to make a personal call to Musharraf in an effort to smooth relations between two key U.S. allies in the region.⁴³ In July 2005,

³⁷ Joshua Kucera, "Counter-Insurgency in Afghanistan," *Jane's Defense Weekly*, Dec. 15, 2004; Carlotta Gall, "Despite Years of Pressure, Taliban Fight On in Jagged Hills," *New York Times*, June 4, 2005; Ahmed Rashid, "Rival Aims Hinder War on Terror," BBC News, July 5, 2005.

³⁸ "Pak, Afghan Troops Trade Heavy Fire," *News* (Karachi), January 5, 2005.

³⁹ "US Military Claim Angers Pakistan," BBC News, Apr. 20, 2005.

⁴⁰ May 9, 2005; "Riots Over US Koran 'Desecration,'" BBC News, May 11, 2005; "Anti-U.S. Protests Spread to Pakistan," *Washington Post*, May 13, 2005; "Afghan Riots Not Tied to Report on Quran Handling, General Says," U.S. Department of State Washington File, May 12, 2005.

⁴¹ "Pakistan Intelligence and Afghan Unrest," *Jane's Intelligence Digest*, May 27, 2005; Sarah Chayes, "With a Little Help From Our Friends," *New York Times*, May 26, 2005; Imtiaz Gul, "US-Afghan Strategic Partnership Worries Neighbors," *Friday Times* (Lahore), May 27, 2005.

⁴² Robert Birsell, "Afghan Rebels Attack From Pakistan," Reuters, May 16, 2005.

⁴³ N.C. Aizenman, "Karzai Asks Musharraf for Border Help," *Washington Post*, June 22, 2005; Carlotta Gall, "Afghans Arrest 3 Pakistanis Accused of Plot to Kill U.S. Envoy," *New York Times*, June 20, 2005; "Afghan Violence Shatters Pakistan Alliance," *New York Times*, (continued...)

Pakistan reported moving 4,000 additional troops to the border region, bringing the total to some 80,000, and Prime Minister Aziz visited Kabul, where he vowed “seamless cooperation” with the Afghan government in fighting terrorism and Islamic extremism. Still, U.S. officials continue to urge Islamabad (and Kabul) to “do more” to end insurgent operations in the region and some reports indicate that Taliban recruiting and training continues to take place on Pakistani territory without government interference.⁴⁴

Al Qaeda and Related Groups in Pakistan. Links between Al Qaeda and Pakistani Islamic militant groups, while possibly extensive, are believed to be mostly informal, with existing Pakistani religious extremists facilitating Al Qaeda activities in that country without being considered “members.”⁴⁵ Al Qaeda reportedly was linked to several anti-U.S. and anti-Western terrorist attacks in Pakistan during 2002, although the primary suspects in most attacks were members of indigenous Pakistani groups.⁴⁶ With the post-9/11 capture of numerous Arab Al Qaeda leaders (most of them in Pakistani cities), there are indications that a new wave of ringleaders is made up of Pakistani nationals.⁴⁷ President Musharraf’s further efforts to crack down on outlawed groups — along with his suggestions that Pakistan may soften its long-held Kashmir policies — may have fueled even greater outrage among radical Islamists already angered by Pakistan’s September 2001 policy reversal, when Musharraf cut ties with the Afghan Taliban regime and began facilitating U.S.-led anti-terrorism operations in the region.⁴⁸ Musharraf and his top lieutenants themselves became targets of Al Qaeda and Al Qaeda-linked violent extremism.⁴⁹

⁴³ (...continued)

June 22, 2005; “Bush Intervenes in Terror Dispute,” BBC News, June 22, 2005.

⁴⁴ “Extra Troops for Afghan Border,” BBC News, July 6, 2005; “Pakistan to Help Afghans Contain Election Strife,” *New York Times*, July 25, 2005; “US Says Wants More Pressure on Afghan Insurgents,” Reuters, July 14, 2005; Jay Solomon, et. al., “Despite U.S. Effort, Pakistan Remains Key Terror Hub,” *Wall Street Journal*, July 22, 2005; Paul Watson, “Pakistan Connection Seen in Taliban’s New Tactics,” *Los Angeles Times*, July 28, 2005.

⁴⁵ C. Christine Fair, “Militant Recruitment in Pakistan,” *Studies in Conflict and Terrorism*, May 2004.

⁴⁶ Among these incidents was the January 2002 kidnaping and ensuing murder of *Wall Street Journal* reporter Daniel Pearl. Also occurring in 2002 were a March grenade attack on a Protestant church in Islamabad that killed five, including a U.S. Embassy employee and her daughter, likely the work of LeT; a May car bombing that killed 14 outside a Karachi hotel, including 11 French defense technicians, was linked to Al Qaeda; and a June car bombing outside the U.S. consulate in Karachi that killed 12 Pakistani nationals also was linked to Al Qaeda. There have been arrests and some convictions in each of these cases. See U.S. Department of State, *Patterns of Global Terrorism 2002*, Apr. 2003.

⁴⁷ Victoria Burnett, “Pakistan Cites Growing Extremist Network,” *Boston Globe*, Sep. 11, 2004; Owais Tohid, “Next Wave of Al Qaeda Leadership,” *Christian Science Monitor*, Oct. 5, 2004.

⁴⁸ Bryan Bender and Farah Stockman, “Extremist Influence Growing in Pakistan, US Officials Fear,” *Boston Globe*, January 11, 2004.

⁴⁹ In March 2004, an audio tape believed to have been made by Al Qaeda leader Ayman al- (continued...)

- On December 13, 2003, a remote-controlled bomb destroyed a Rawalpindi bridge less than one minute after Musharraf's motorcade had passed over it. A U.S.-supplied electronic jamming device is believed to have delayed detonation.
- On December 25, 2003, dual suicide car bomb attacks on Musharraf's motorcade in Rawalpindi failed to harm the Pakistani president, but killed 15 people, including the attackers.⁵⁰
- On June 10, 2004, militants attacked the motorcade of a top Pakistan Army commander and Musharraf ally in Karachi, killing ten, but leaving the general unharmed.
- On July 30, 2004, a suicide bomber killed eight other people in a failed attempt to assassinate the Prime Minister-designate, Shaukat Aziz, who was unharmed.

The F.B.I. played a role in the investigations into attempts on President Musharraf's life and the United States has undertaken to provide improved training to Musharraf's bodyguards. Nonetheless, it is considered likely that future assassination attempts on Musharraf will occur.⁵¹ Low-level Pakistani security officers and soldiers were convicted for involvement in the attacks on Pakistani leaders, heightening concerns that the Musharraf government is finding it difficult to control domestic extremism, especially among some elements of Pakistan's security apparatus.⁵² As more evidence arises exposing Al Qaeda's deadly new alliance with indigenous Pakistani militants — and military operations continue to

⁴⁹ (...continued)

Zawahri urged "every Muslim in Pakistan" to overthrow the Musharraf regime for its "surrender to the Americans" ("Uncover the Truth of Musharraf, the Traitor and the Killer of Muslims," *Outlook India* (Delhi), Mar. 27, 2004).

⁵⁰ Both December 2003 assassination attempts were blamed mainly on operatives of the indigenous Jaish-e-Mohammed terrorist group. Numerous Pakistanis and foreign nationals — including Afghans, Chechens, and Kashmiris — were arrested in connection with the attacks, with officials suggesting a possible Al Qaeda link (Salman Masood, "Link to Qaeda Cited in Effort to Assassinate Pakistan Chief," *New York Times*, Mar. 16, 2004). Some also suggested a possible ISI role, noting a long history of ties between Pakistan's intelligence service and JeM leader Masood Azhar (John Lancaster and Kamran Khan, "Investigation of Attacks on Musharraf Points to Pakistani Group," *Washington Post*, January 14, 2004).

⁵¹ Mubashir Zaidi, "FBI Joins Inquiry Into Blasts Aimed at Pakistani Leader," *Los Angeles Times*, Dec. 27, 2003; Dana Priest, "U.S. Aids Security of Musharraf," *Washington Post*, January 3, 2004; Mazhar Abbas, "Agencies Fear More Suicide Attempts on Musharraf," *Friday Times* (Lahore), Feb. 13, 2004.

⁵² Salman Masood, "A Top Pakistani General Escapes Assassination Attempt that Kills Ten People," *New York Times*, June 11, 2004; "Al Qaeda Group Claims Bombing," *Los Angeles Times*, Aug. 1, 2004; "Junior Officers Tried to Kill Me: Musharraf," *Daily Times* (Lahore), May 27, 2004.

cause death and disruption in Pakistan's western regions — concern about Pakistan's fundamental political and social stability has increased.⁵³

The United States also notes past indications of links between Al Qaeda and Pakistani army officers, intelligence agents, weapons experts, and militant leaders. There also have been reports that Pakistan allows Taliban militants to train in Pakistan for combat in Afghanistan and that Al Qaeda camps near the Afghan Pakistani border remain active.⁵⁴ Signs of collusion between some elements of Al Qaeda, Lashkar-e-Taiba, and influential Pakistanis fuel skepticism among those who doubt the sincerity of Pakistan's commitment to moderation. For example, of three major Al Qaeda figures captured in Pakistan, one (Abu Zubaydah) was found at a Lashkar-e-Taiba safehouse in Faisalabad, suggesting that some LeT members have facilitated the movement of Al Qaeda members in Pakistan.⁵⁵ Another (Khalid Sheikh Mohammed) was seized at the Rawalpindi home of a member of the Jamaat-i-Islami (JI), one of Pakistan's leading religious Islamist political parties. In fact, at least four top captured Al Qaeda suspects had ties to JI. In August 2004, Pakistan's interior minister asked the JI leadership to explain why several important Al Qaeda fugitives were captured in the homes of party workers, and a leader of the ruling Muslim League party acknowledged that terrorists were linked to "individual" JI leaders. JI chief Qazi Hussain Ahmed responded by denying that the party had any ties to Al Qaeda. When asked about the issue, President Musharraf expressed "the greatest disappointment ... that there are some political elements" in Pakistan that "keep on instigating" foreign terrorists. He denied implicating any specific religious parties as a whole while conceding that individual terrorist suspects have been JI members.⁵⁶

During the time that Islamabad was actively supporting the Afghan Taliban regime it had helped to create, Pakistan's powerful Inter-Services Intelligence (ISI) agency is believed to have had direct contacts with Al Qaeda figures.⁵⁷ Sympathetic

⁵³ John Lancaster and Kamran Khan, "Pakistan Losing Grip on Extremists," *Washington Post*, Aug. 29, 2004; "Pakistan Sliding Towards Lawlessness: Human Rights Body," Press Trust of India, Aug. 30, 2004; Mazhar Abbas, "Terrorist Attacks Leave Government Helpless," *Friday Times* (Lahore), Oct. 15, 2004; "How Al Qaeda Bankrolls Terror in Pakistan," *Jane's Islamic Affairs Analyst*, May 1, 2005.

⁵⁴ Carlotta Gall, "Pakistan Allows Taliban to Train, a Detained Fighter Says," *New York Times*, Aug. 4, 2004; "Intelligence Indicates Activity at Al Qaeda Camps," CNN.com, Aug. 5, 2004; Munir Ahmed, "PM Denies Terrorist Camps Exist in Pakistan After Men Arrested in California," Associated Press, June 11, 2005.

⁵⁵ U.S. Department of State, *Country Reports on Terrorism 2004*, Apr. 2005.

⁵⁶ "Pakistan Asked to Explain Islamic Party Link to Al Qaeda Suspects," Agence France-Presse, Mar. 3, 2003; Muhammad Anis, "Faisal Asks JI to Explain Activists' Al Qaeda Links," *Dawn* (Karachi), Aug. 17, 2004; "Terrorists Have Individual Links With Some JI Leaders: Shujaat," *Daily Times* (Lahore), Aug. 18, 2004; "No Links With Al Qaeda: Qazi," *Daily Times* (Lahore), Aug. 18, 2004; "Pakistan President Gives TV Interview on Security, India Ties, Iraq Troops," BBC Monitoring South Asia, Aug. 17, 2004.

⁵⁷ James Risen and Judith Miller, "Pakistani Intelligence Had Links to Al Qaeda, U.S. Officials Say," *New York Times*, Oct. 29, 2001. Declassified U.S. Defense Intelligence (continued...)

ISI officials may even have provided shelter to Al Qaeda members in both Pakistan and Kashmir.⁵⁸ At least one source suggests the ISI collaborated with Al Qaeda's shift into South Waziristan in 2002.⁵⁹ Two senior Pakistani nuclear scientists reportedly met with Osama bin Laden in 2001 to conduct "long discussions about nuclear, chemical and biological weapons."⁶⁰ In July 2005, six Pakistan army officers, including two colonels, were convicted on charges of plotting with Al Qaeda members.⁶¹ Moreover, known Islamic extremists with ties to Al Qaeda appear to have remained active on Pakistani territory. For example, longtime Pakistani terrorist chief Fazlur Rehman Khalil, who co-signed Osama bin Laden's 1998 edict declaring it a Muslim's duty to kill Americans and Jews, has lived openly in Rawalpindi, not far from Pakistan's Army General Headquarters.⁶² Khalil is the leader of Harakat ul-Mujahideen, one of the many Pakistan-based terrorist groups opposed to both the continued rule of President Musharraf and to U.S. policy in the region.

Mid-2004 saw significant developments in the fight against Al Qaeda-linked militants in Pakistan, including the capture or killing of several allegedly senior Al Qaeda operatives and other wanted fugitives (Al Qaeda suspects Masrab Arochi, Ahmed Khalfan Ghailani, and Mohammed Naeem Noor Khan were captured in Pakistani cities in June and July; see "Notable Al Qaeda Figures Captured or Killed in Pakistan," below). Pakistan's interior minister said that security agencies had captured 12 foreign and 51 Pakistani "terrorists" between mid-July and mid-August 2004. As many as ten of these were suspected Al Qaeda members whom the Pakistani government said were planning attacks on Pakistan government and Western targets, including the U.S. Embassy, to coincide with Pakistani Independence Day.⁶³ In mid-August 2004, Pakistan published pictures of six "most-wanted terrorists" along with offers of major monetary rewards for information

⁵⁷ (...continued)

Agency documents from October 2001 indicate that the Al Qaeda camp targeted by American cruise missiles in 1998 was funded and maintained by the ISI, and that Pakistani agents "encouraged, facilitated and often escorted Arabs from the Middle East into Afghanistan" (National Security Archive Electronic Briefing Book 97, available at [<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB97/index.htm>]). See also Steve Coll, *Ghost Wars* (Penguin Press, 2004).

⁵⁸ Bob Drogin, et. al., "Al Qaeda Gathering Strength in Pakistan," *Los Angeles Times*, June 16, 2002; Philip Smucker, "Al Qaeda Thriving in Kashmir," *Christian Science Monitor*, July 2, 2002.

⁵⁹ Mariam Abou Zahab and Olivier Roy, *Islamist Networks* (Columbia University Press, 2004).

⁶⁰ Kamran Khan and Molly Moore, "2 Nuclear Experts Briefed Bin Laden, Pakistanis Say," *Washington Post*, Dec. 12, 2001.

⁶¹ "Contact With Al Qaeda," *Pakistan* (Islamabad in Urdu), Aug. 2, 2005.

⁶² Paul Watson and Mubashir Zaidi, "Militant Flourishes in Plain Sight," *Los Angeles Times*, January 25, 2004; Mike Collet-White and Amir Zia, "Pakistan Crack Down on Militants," Reuters, Aug. 8, 2004.

⁶³ Munir Ahmad, "Monthlong Anti-Terror Raids in Pakistan Net 63 Terror Suspects," Associated Press, Aug. 16, 2004; "Pakistan Arrests Al Qaeda Suspects," *Washington Post*, Aug. 22, 2004.

leading to their capture.⁶⁴ In September, Pakistan reported having killed one of these fugitives, suspected top Al Qaeda operative Amjad Farooqi, and two other militants during a 4-hour gunbattle in the southern city of Nawabshah. Farooqi was described as having been the chief Al Qaeda contact in Pakistan and a longtime associate of Khalid Sheik Mohammed.⁶⁵ Within days, Pakistan said 11 more militants had been captured, including members of Jaish-e-Mohammed wanted in connection with a May 2002 car bombing in Karachi that killed 11 French military technicians. Pakistan's interior minister declared that the arrests had "broken the back of Al Qaeda in Pakistan," a claim identical to that made by another top Pakistani official two years earlier. In September 2004, then-Deputy Secretary of State Armitage called the activities of Pakistani security forces "very noteworthy" and "extraordinarily appreciated."⁶⁶

While developments in 2004 marked notable strides in Pakistani and multilateral efforts to eliminate Al Qaeda and other Islamic extremist elements in the region, the problem for Pakistan is far from resolved. Reports indicate that Pakistan's western border regions — especially the traditionally autonomous Wazir districts of the FATA — remain a sanctuary for scores or even hundreds of non-Pakistani militants with Al Qaeda links or sympathies.⁶⁷ Pakistani forces continue to hunt suspected Al Qaeda members in both urban areas and western border regions.⁶⁸ In a controversial turn, the Islamabad government has made large cash

⁶⁴ Five of the suspects were Pakistani and one a Libyan. A reward of 20 million rupees (about \$340,000) each was offered for information leading to the arrest of Amjad Hussain Farooqi and Libyan Abu Faraj, both wanted in connection with attempts to assassinate President Musharraf in December 2003 ("Pakistan Publishes 'Most-Wanted Terrorists' List," Reuters, Aug. 18, 2004).

⁶⁵ Farooqi also was identified as a member of the Lashkar-i-Janghvi terrorist group and one of the hijackers of an Indian passenger jet in 1999 (Kamran Khan, "Pakistani Forces Kill Top Fugitive," *Washington Post*, Sep. 27, 2004).

⁶⁶ Paul Haven, "Arrests Damage Al Qaeda Network," Associated Press, Aug. 7, 2004; Mike Collet-White and Amir Zia, "Pakistan Crack Down on Militants," Reuters, Aug. 8, 2004; Kamran Khan, "Al Qaeda Arrest in June Opened Valuable Leads," *Washington Post*, Aug. 3, 2004; "Pakistanis Tell of More Arrests," *New York Times*, Aug. 4, 2004; "State's Armitage Calls for Syrian Troops Withdrawal From Lebanon," "U.S. Hails Pakistan's Efforts to Fight Terror, Build Democracy," U.S. Department of State Washington File, Oct. 1, 2004. The United States was criticized by intelligence experts for releasing Khan's name to the press even as Khan was said to be covertly cooperating with investigators (Peter Graff, "Unmasking of Qaeda Mole a Security Blunder - Experts," Reuters, Aug. 7, 2004).

⁶⁷ See, for example, Shiv Malik, "Where Bin Laden Can Still Roam Free," *New Statesman* (London), Feb. 21, 2005; Declan Walsh, "Most Wanted," *Guardian* (Manchester), Aug. 1, 2005.

⁶⁸ "Pakistan Kills Two Al Qaeda Suspects, Arrests 11," Reuters, Mar. 5, 2005; "Pakistan Nabs Ten Terror Suspects," CNN.com, Mar. 13, 2005; Nadeem Saeed, "Three AL Qaeda 'Suspects' Held," *Dawn* (Karachi), May 21, 2005; Iqbal Khattak, "Two Local Qaeda Suspects Arrested in North Waziristan," *Daily Times* (Lahore), June 2, 2005.

payments to Pashtun tribal commanders in an effort to sever Wazir ties to Al Qaeda (see “Pakistani Military Operations” section below).⁶⁹

In 2005, the United States has bolstered efforts to capture wanted Al Qaeda fugitives in part with local-language television, radio, and newspaper advertising offering large monetary rewards for information leading to the arrest of 14 most wanted terrorists.⁷⁰ An apparent rift between Arab Al Qaeda members and their Central Asia (primarily Uzbek) allies reportedly has been exploited by U.S. and Pakistani intelligence services; such internal Al Qaeda conflict may have allowed for the capture of Abu Faraj al-Liby in May 2005.⁷¹ The arrest spurred President Musharraf and Pakistan’s interior minister to (again) insist that their security forces had “broken the back” of Al Qaeda in Pakistan.⁷² Yet, in June 2005, a senior fugitive Taliban leader appeared on Pakistani television to claim that Osama bin Laden and Taliban chief Mullah Omar were both alive and in good health, spurring the outgoing U.S. Ambassador to Afghanistan to claim that the two fugitives were not in Afghanistan.⁷³

Following deadly July 7, 2005 bombings in London, and subsequent confirmation that at least two of the culprits had made recent visits to Pakistan, Islamabad was faced with renewed international scrutiny of the country’s links to Islamic extremism. President Musharraf launched a new nationwide crackdown on suspected militants and officials began investigating possible ties between the London attack and Pakistan-based terrorist groups with known links to Al Qaeda. By month’s end, Musharraf was again declaring that Al Qaeda’s operational structure in Pakistan had been destroyed and he excluded the possibility that the terrorist network could have carried out recent attacks in Britain or Egypt.⁷⁴

⁶⁹ Owais Tohid, “Cash Weans Tribes From Al Qaeda,” *Christian Science Monitor*, Feb. 16, 2005.

⁷⁰ “U.S. Posts ‘Most Wanted’ in Pakistan Paper,” Reuters, Jan. 7, 2005; Richard Boucher, State Department Daily Briefing, Feb. 15, 2005;

⁷¹ Paul Haven and Katherine Shrader, “Ethnic Rifts Tearing at Al Qaeda,” Associated Press, May 10, 2005.

⁷² Jo Johnson and Farhan Bokhari, “Al Qaeda’s Back Has Been Broken, Says Musharraf,” *Financial Times* (London), May 15, 2005; “Al Qaeda Badly Hurt, Pakistani Official Says,” *Miami Herald*, May 16, 2005.

⁷³ “Bin Laden, Omar Are Well, Taliban Commander Says,” Reuters, June 15, 2005; “Bin Laden ‘is not in Afghanistan,’” BBC News, June 16, 2005.

⁷⁴ “Pakistanis Check Al Qaeda Link to Bombings,” Associated Press, July 15, 2005; Farhan Bokhari et. al., “Pakistan Claims Al Qaeda Command Destroyed,” *Financial Times* (London), July 25, 2005.

Notable Al Qaeda Figures Captured or Killed in Pakistan

- **Abu Zubaydah** (March 2002), a Saudi-born Palestinian captured in the east-central city of Faisalabad. Zubaydah was Al Qaeda's chief recruiter during the 1990s and was alleged to have directed Al Qaeda's reorganization in Pakistan after 2001.
- **Ramzi bin al-Shibh** (September 2002), a Yemeni captured in the southern city of Karachi. Bin al-Shibh had been a member of the "Hamburg cell" and allegedly was a key figure in the 9/11 plot.
- **Khalid Sheikh Mohammed** (March 2003), a Pakistani captured in the northeastern city of Rawalpindi. Sheikh Mohammed was the alleged "mastermind" of the 9/11 plot.
- **Mustafa al-Hawsawi** (March 2003), a Saudi captured along with Sheikh Mohammed, has been called Al Qaeda's "chief financial officer" and was said to have been key to funding the 9/11 plot.
- **Walid bin Attash** (April 2003), a Yemeni captured in the southern city of Karachi. Bin Attash was called the "mastermind" of the 2000 attack on the USS Cole.
- **Masrab Arochi** (June 2004), a Pakistani relative of Sheikh Mohammed captured in the southern city of Karachi. Arochi was implicated in a failed but bloody May 2004 attempt to assassinate a Pakistani Corps Commander.
- **Nek Mohammed** (June 2004), a leading Pashtun militant and former Taliban commander reported killed by a missile (likely fired from a pilotless U.S. drone) in a tribal area near the Afghan border. Mohammed was accused of providing sanctuary to Al Qaeda members.
- **Ahmed Khalfan Ghailani** (July 2004), a Tanzanian captured in the east-central city of Gujrat. Ghailani had appeared on the FBI's most-wanted list after his indictment for murder in connection with the 1998 Al Qaeda bombings of two U.S. Embassies in East Africa.
- **Mohammed Naeem Noor Khan** (July 2004), a Pakistani captured in the east-central city of Lahore. Khan was an alleged Al Qaeda computer expert wanted in connection with a plot to bomb London's Heathrow airport.
- **Amjad Farooqi** (September 2004), a Pakistani killed in a gunbattle in the southern city of Nawabshah. Farooqi had been sought in connection with the 2002 kidnaping and murder of reporter Daniel Pearl and two lethal December 2003 attempts to assassinate President Musharraf.
- **Abu Faraj al-Libbi** (May 2005), a Libyan captured in the northwestern city of Mardan. Libbi, called the third-most senior Al Qaeda operative by some analysts, was wanted in connection with lethal attempts to assassinate President Musharraf in December 2003.
- **Haithem al-Yemeni** (May 2005), a Yemeni killed by what was reported to be a missile fired from a pilotless U.S. drone in the North West Frontier Province near the Afghan border. Al-Yemeni was a suspected Al Qaeda explosives expert.

Source: U.S. Department of State terrorism reports and various news agencies.

Narcotics. Compounding the difficulty of battling regional extremists has been a major spike in Afghan opium production, spurring acute concerns that

Afghanistan may become or already is a “narco-state,” and that terrorist groups and their supporters in both Afghanistan and Pakistan are reaping huge profits from the processing and trafficking of heroin.⁷⁵ A bumper opium crop in 2004 was two-thirds larger than the previous year’s, with Afghan opium now said to comprise up to 90% of the world’s supply and the opium trade accounting for about half of Afghanistan’s gross domestic product. The director of Pakistan’s Anti-Narcotics Force has estimated that 70% of narcotics produced in Afghanistan is trafficked through Pakistan. Some analysts express worry that Pakistan is forced to divert scarce security resources to counternarcotics efforts.⁷⁶ There is congressional concern that heroin trafficking has become a major source of funding for Al Qaeda.⁷⁷

Indigenous Pakistani Terrorism

Pakistan is known to be a base for numerous indigenous terrorist organizations. Many analysts locate the genesis of this now serious problem in the Islamization process initiated by Z.A. Bhutto after 1971 and greatly accelerated by Gen. Zia-ul-Haq in the 1980s. Some also hold the United States complicit, given its overt support for Zia, an authoritarian military leader who represented a “frontline ally” against Soviet expansionism. Zia sought greater domestic political legitimacy in part by strengthening the country’s conservative religious elements which would later play a major role in Pakistan’s Afghan and Kashmir policies.⁷⁸

Pakistan has in the past demonstrated inconsistency in its efforts to rein in Islamic militants operating inside its borders. The United States has for many years been aware of the existence of outlawed groups both in Pakistan-held Kashmir and within Pakistani cities. In July 2000 testimony before the House International Relations Committee, a senior U.S. counterterrorism official called Pakistan’s record on combating terrorism “mixed,” noting that “Pakistan has tolerated terrorists living

⁷⁵ “Afghanistan as a Narco State,” *Christian Science Monitor*, Mar. 8, 2005; A. Brownfeld, “Al Qaeda’s Drug-Running Network,” *Jane’s Terrorism & Security Monitor*, Feb. 1, 2004; Hugh Williamson and Victoria Burnett, “Afghan Militants Linked to Drugs Trade,” *Financial Times* (London), Apr. 2, 2004; Thom Shanker, “Pentagon Sees Anti-Drug Effort in Afghanistan,” *New York Times*, Mar. 25, 2005; Paul Watson, “Afghanistan: A Harvest of Despair,” *Los Angeles Times*, May 29, 2005.

⁷⁶ “Fight Against Opium in Afghanistan Moving at Glacial Pace,” Agence France Presse, May 23, 2005; “70% Afghan Narcotics Move Through Pakistan,” *Daily Times* (Lahore), Mar. 21, 2005; Peter Chalk and Christine Fair, “Pakistan Tackles Impact of Afghan Opium Trade,” *Jane’s Intelligence Review*, Mar. 1, 2005.

⁷⁷ See CRS Report RL32686, *Afghanistan: Narcotics and U.S. Policy*, by Christopher Blanchard.

⁷⁸ See Stephen Cohen, “The Jihadist Threat to Pakistan,” *Washington Quarterly* 26, 3 (Summer 2003), p.15, and Dennis Kux, *The United States and Pakistan 1947-2000: Disenchanted Allies* (Washington: Woodrow Wilson Center Press, 2001), p. 240-241. Pakistani leaders continued to manipulate radical Islamic groups during the 1990s as part of a strategy to “fuel the jihad in Kashmir and Afghanistan” (Ashley Tellis, “U.S. Strategy: Assisting Pakistan’s Transformation,” *Washington Quarterly* 28, 1 (Winter 2004-05), p.106). The issue of past U.S. complicity in the radicalization of Pakistan’s religious politics has been raised with the author by Pakistani government officials and scholars.

and moving freely within its territory” and is believed to have provided “material support for some of these militants, including the Harakat ul-Mujahidin, a group that [the United States] has designated as an FTO [Foreign Terrorist Organization].”⁷⁹

In the past, sectarian and Kashmir-oriented militant groups in Pakistan generally operated within their own distinct geographic and functional spheres, separate from one another and also from mostly non-Pakistani militants who came to the region intent on fighting an international jihad. These distinctions have become less clear in the post-9/11 period.⁸⁰ In January 2002, Pakistan banned five extremist groups, including Lashkar-e-Taiba (LeT), Jaish-e-Mohammed (JeM), and Sipah-e-Sahaba Pakistan (SSP). The United States officially designates LeT and JeM as terrorist groups; SSP appears on the State Department’s list of “other selected terrorist organizations.”⁸¹ Following Al Qaeda’s 2001-2002 expulsion from Afghanistan and ensuing relocation of some core elements to Pakistani cities such as Karachi and Peshawar, some Al Qaeda activists are known to have joined forces with indigenous Pakistani Sunni militant groups, including LeT, JeM, SSP, and Lashkar-i-Jhangvi (LJ), an FTO-designated offshoot of the SSP that has close ties to Al Qaeda.⁸² The United Nations lists JeM and LJ as “entities belonging to or associated with the Taliban and Al Qaeda organization.”⁸³

In his landmark January 2002 speech, President Musharraf vowed to end Pakistan’s use as a base for terrorism, and he criticized religious extremism and intolerance in the country. In the wake of the speech, about 3,300 extremists were detained, though most of these were soon released (including one man who later tried to assassinate Musharraf).⁸⁴ Among those released were the founders of both Lashkar-e-Taiba and Jaish-e-Muhammad. Although officially banned, these groups continued to operate under new names: LeT became Jamaat al-Dawat; JeM became

⁷⁹ Ambassador Michael Sheehan, “Testimony on Counterterrorism and South Asia,” USIS Public Diplomacy Query, July 12, 2000.

⁸⁰ See C. Christine Fair, “Militant Recruitment in Pakistan,” *Studies in Conflict and Terrorism*, May 2004.

⁸¹ See CRS Report RL32223, *Foreign Terrorist Organizations*, and CRS Report RL32120, *The “FTO List” and Congress: Sanctioning Designated Foreign Terrorist Organizations*, both by (name redacted). LeT appears to be expanding its jihadi efforts well beyond their Pakistani-Kashmiri origins to places such as Iraq, Indonesia, and Australia (“Pakistani Militants Arrested in Iraq,” Agence France Presse, Apr. 1, 2004; E. Blanche, “Lashkar-e-Taiba Spreads Its Tentacles,” *Jane’s Terrorism & Security Monitor*, Sep. 1, 2004).

⁸² U.S. Department of State, *Patterns of Global Terrorism 2002*, Apr. 2003; Howard French, “Officials Warn of Links Between Al Qaeda, Pakistanis,” *New York Times*, May 29, 2002; Hasan Mansoor, “Karachi Killings Reveal Sectarian-Jihadi Nexus,” *Friday Times* (Lahore), Oct. 10, 2003; Kamran Khan and John Lancaster, “Suspect Predicts Attack on U.S. Forces,” *Washington Post*, Mar. 7, 2003.

⁸³ See [<http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>].

⁸⁴ Paul Watson, “A Delicate Balance of Rule for Pakistan’s Musharraf,” *Los Angeles Times*, Mar. 5, 2004.

Khudam-ul Islam.⁸⁵ In November 2003, just two days after the U.S. Ambassador expressed particular concern over the continuing activities of banned organizations, Musharraf moved to arrest members of these groups and shutter their offices. Six groups were formally banned, including offshoots of both the JeM and SSP, and more than 100 offices were raided. Musharraf vowed to permanently prevent banned groups from resurfacing, and his government moved to seize their financial assets.⁸⁶ Some analysts called the efforts cosmetic, ineffective, and the result of external pressure rather than a genuine recognition of the threat posed.⁸⁷

Nearly two years later, and in the wake of deadly July 2005 bombings in London that had a possible Pakistan connection, both President Musharraf and Prime Minister Aziz restated their strident intention to combat religious extremism. From 800 to as many as 3,000 arrests were made in nationwide sweeps when security forces raided numerous mosques and religious seminaries. However, there is widespread scepticism among analysts that Musharraf's most recent initiatives will lead to more effective action; many contend that such assurances have been given by the Pakistani leader numerous times in the past without meaningful result.⁸⁸ Moreover, reports that militant training facilities remain operative on Pakistani-controlled territory have become more common in mid-2005 and emanate from such disparate quarters as government officials in Kabul and New Delhi, as well as from local and Western media.⁸⁹

⁸⁵ Paul Watson, "Revolving Doors for Pakistan's Militants," *Los Angeles Times*, Nov. 17, 2002; "Musharraf Says Heads of Two Extremist Groups Did Nothing Illegal," Agence France-Presse, Mar. 2, 2003; "Militant Suspects Freed in Pakistan," BBC News, Jan. 31, 2003.

⁸⁶ "U.S. Committed to Strong Relationship With Pakistan," U.S. Department of State Washington File, Nov. 13, 2003; "Owais Tohid, "Pakistan Tries Again to Shutter Terror Groups," *Christian Science Monitor*, Nov. 26, 2003; Rafaqat Ali, "Musharraf Vows to Root Out Extremism," *Dawn* (Karachi), Dec. 5, 2003; "Pakistan Freezes Accounts of Three More Banned Islamic Groups," Associated Press, Dec. 12, 2003. The United States had signaled increased pressure on Islamabad in October 2003 when the Treasury Department designated the Pakistan-based Al Akhtar Trust as a terrorist support organization under Executive Order 13224 and identified Indian crime figure Dawood Ibrahim as a "global terrorist" with links to both Al Qaeda and Lashkar-e-Taiba. Ibrahim is believed to be in Pakistan ("U.S. Designates Al Akhtar," U.S. Treasury Department Press Release, Oct. 14, 2003; "U.S. Designates Dawood Ibrahim," U.S. Treasury Department Press Release, Oct. 16, 2003).

⁸⁷ Husain Haqqani, "Skepticism Over Crackdown," *Nation* (Lahore), Nov. 19, 2003; Najam Sethi, "Writing On the Wall," *Friday Times* (Lahore), Nov. 21, 2003.

⁸⁸ See, for example, Farhan Bokhari, "Musharraf's Tough Talking in Doubt," *Financial Times* (London), July 22, 2005; Stephen Cohen, "Musharraf's Great Failure," *Globe and Mail* (Toronto), July 27, 2005; Amir Mir, "New Commitments, New Betrayals," *Outlook India* (Delhi), Aug. 1, 2005; N.C. Aizenman, "Musharraf's Contradictory Crackdown on Radicals," *Washington Post*, Aug. 5, 2005.

⁸⁹ See, for example, James Rupert, "Terrorist Camps Thriving," *Newsday*, July 22, 2005; Jay Solomon, et. al., "Despite U.S. Effort, Pakistan Remains Key Terror Hub," *Wall Street Journal*, July 22, 2005; Amir Mir, "Open For Admission," *Outlook India* (Delhi), July 25, 2005; Paul Watson, "Pakistan Connection Seen in Taliban's New Tactics," *Los Angeles* (continued...)

Since 2003, Pakistan's domestic terrorism mostly has involved Sunni-Shia conflict. Sectarian violence has plagued Pakistan for decades.⁹⁰ According to one report, Pakistan's sectarian conflict is "the direct consequence of state policies of Islamization and marginalization of secular democratic forces" wherein Sunni orthodoxy and militancy have been bolstered and manipulated by successive military-dominated governments in Islamabad.⁹¹ Repression of religious minorities in Pakistan is noted by the United States.⁹² Major suicide bombings in Islamabad and Karachi left dozens dead in May 2005, and again raised concerns about Pakistan's sectarian violence and domestic stability. Some analysts believe that, by redirecting Pakistan's internal security resources, an increase in such violence may ease pressure on Al Qaeda and affiliated groups and so allow them to operate more freely there.⁹³

Madrasahs and Pakistan Islamists

The Taliban movement itself began among students attending Pakistani religious schools (madrasahs). Among the 10,000-20,000 or more madrasahs training

⁸⁹ (...continued)

Times, July 28, 2005; David Rohde and Carlotta Gall, "In a Corner of Pakistan a Debate Rages: Are Terrorist Camps Still Functioning?," *New York Times*, Aug. 28, 2005.

⁹⁰ About three-quarters of Pakistan's Muslims are Sunnis. Major sectarian violence in 2003 included a July strike on a Quetta mosque that killed more than 50 Shiite worshipers (blamed on the militant Sunni SSP), and the October assassination of Maulana Azam Tariq, leader of the SSP and member of the Pakistani parliament, who was gunned down with four others in Islamabad. A March 2004 machine gun and bomb attack on a Shia procession in Quetta killed at least 44 and injured more than 150 others. A pair of bombings in early October 2004 left at least 72 people dead in the cities of Sialkot and Multan. In March 2005, at least 40 people were killed and scores injured when a bomb exploded at a Shiite shrine in remote part of the southwestern Baluchistan province. In May 2005, a suicide bomber killed 20 people and injured up to 100 more in an apparent sectarian attack on a Muslim shrine in Islamabad. Days later, suicide bombers killed themselves and at least two other people, and injured 20 more, in an attack on a Shiite mosque in Karachi. An enraged crowd of some 1,000 Shias rioted, killing at least six more people.

⁹¹ The roots of this dynamic are most readily found in the policies of Gen. Zia from 1977-1988, but Pakistan's security organizations pursued foreign policy goals in part through continued co-optation of religious extremist elements even under the civilian governments of the 1990s. According to the report, President Musharraf has continued the military's tradition of making alliances with mullahs at the expense of moderate political forces ("The State of Sectarianism in Pakistan," International Crisis Group Asia Report 95, Apr. 18, 2005). See also Husain Haqqani, *Pakistan: Between Mosque and Military* (Carnegie Endowment for International Peace), 2005.

⁹² The United States has for six consecutive years singled out Pakistan for "state hostility toward minority or non-approved religions," indicating that the Pakistani government continues to impose limits on freedom of religion, to fail in many respects to protect the rights of religious minorities, and to fail at times to intervene in cases of sectarian violence. President Musharraf rejects the claims as "absolutely incorrect" and "contrary to the real situation" in Pakistan (U.S. State Department, *International Religious Freedom Report 2004* at [http://www.state.gov/g/drl/rls/irf/2004/35519.htm]; "Pakistan President Rejects US Report on Human Rights," BBC Monitoring South Asia, Sep. 29, 2004).

⁹³ "Pakistan: A New Wave of Sunni-Shiite Violence?," Stratfor.com, Oct. 7, 2003.

up to two million children in Pakistan are a small percentage that have been implicated in teaching militant anti-Western, anti-American, anti-Hindu, and even anti-Shia values. Secretary of State Powell identified these as “programs that do nothing but prepare youngsters to be fundamentalists and to be terrorists.” There is, however, little evidence that madrassas are producing known anti-Western terrorists.⁹⁴ Many of these madrassas are financed and operated by Pakistani Islamist political parties such as Jamaat-e-Ulema Islam (JUI, closely linked to the Taliban), as well as by multiple unknown foreign entities, many in Saudi Arabia.⁹⁵ As many as two-thirds of Pakistan’s seminaries are run by the Deobandi sect, known in part for a traditionally anti-Shia sentiment and at times linked to the Sipah-e-Sahaba terrorist group.⁹⁶ Some senior members of JUI reportedly have been linked to several U.S.-designated Foreign Terrorist Organizations.⁹⁷ The JUI chief, Fazlur Rehman, is a vocal critic of Pakistan’s cooperation with the United States. In May 2004, he was named Leader of the Opposition in Pakistan’s Parliament. In September 2004, Musharraf reportedly assured an audience of leading Pakistani religious seminarians that his government would not interfere in the affairs of madrassas and was under no foreign pressure to do so. He did, however, acknowledge that a small number of seminaries are “harboring terrorists” and he asked religious leaders to help isolate these by openly condemning them.⁹⁸

In July 2005, international attention to Pakistan’s religious schools intensified after Pakistani officials acknowledged that three of the four suspects in the 7/7 London bombings visited Pakistan during the previous year and two may have spent time at a madrassa near Lahore.⁹⁹ An ensuing crackdown on Pakistani religious extremists included a (new) government deadline for madrassa registration, the

⁹⁴ “House Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs Holds Hearing on FY2005 Appropriations,” FDCH Transcripts, Mar. 10, 2004; Peter Bergen and Swati Pandney, “The Madrassa Myth,” *New York Times*, June 14, 2005. See also CRS Report RL32009, *Education Reform in Pakistan*, by (name redacted); and CRS Report RS21654, *Islamic Religious Schools, Madrasas: Background*, by Christopher Blanchard.

⁹⁵ In June 2004, the Co-Director of the Independent Task Force on Terrorism Financing told a Senate panel that, “Saudi financing is contributing to the radicalization of millions of Muslims” in places such as Pakistan and, “Foreign funding for extremist madrassas in Pakistan alone ... is estimated to be in the tens of millions, much of it historically from Saudi Arabia” (Testimony of Lee Wolosky Before the Senate Governmental Affairs Committee, “An Assessment of Current Efforts to Combat Terrorism Financing,” June 15, 2004). See also CRS Report RL32499, *Saudi Arabia: Terrorist Financing Issues*, by Alfred Prados and Christopher Blanchard.

⁹⁶ Khaled Ahmed, “Our Madrassas and Our World View,” *Friday Times* (Lahore), Mar. 7, 2003.

⁹⁷ Praveen Swami, “A Peacemaker From Pakistan,” *Frontline* (Madras), Aug. 15, 2003.

⁹⁸ “No Interference in the Affairs of Madrassas,” *Dawn* (Karachi), Sep. 8, 2004; “Some Madrassas Bad: Musharraf,” *Daily Times* (Lahore), Sep. 8, 2004.

⁹⁹ Somini Sengupta, “Three London Bombing Suspects Visited Pakistan Last Year,” *New York Times*, July 18, 2005; Alastair Lawson, “Pakistan’s Islamic Schools in the Spotlight,” BBC News, July 14, 2005; “London Bombings Reverberate in Pakistani Madrassahs,” *New York Times*, July 18, 2005.

expulsion of 1,400 foreign nationals from Pakistani religious schools, and police raids on some suspect seminaries. Pakistani Islamist leaders criticized the government's moves as human rights abuses and vowed to take action to block them. Moreover, a small percentage of seminaries have refused to participate in the registration program and the country's leading madrassa grouping — the Wafaq-ul-Madaris — has been critical of certain requirements, including an obligation to report funding sources.¹⁰⁰

Since 2002, the U.S. Congress has allocated tens of millions of dollars to assist Pakistan in efforts to reform its education system, including changes that would make madrassa curriculum closer in substance to that provided in non-religious schools. The *9/11 Commission Report* recommends U.S. support for better Pakistani education and legislation passed by the 108th Congress (P.L. 108-458) calls for the devotion of increased U.S. government attention and resources to this issue.¹⁰¹ While President Musharraf has in the past pledged to crack down on the more extremist madrassas in his country, there is little concrete evidence that he has done so. According to two observers, Musharraf's promises "came to nothing. His military government never implemented any program to register madrassas, follow their financing or control their curricula."¹⁰² Many speculate that Musharraf's reluctance to enforce reform efforts is rooted in his desire to remain on good terms with Pakistan's Islamist political parties, which are seen to be an important part of his political base.¹⁰³

The Muttahida Majlis-e-Amal (MMA) — a coalition of six Islamist opposition parties — holds about 20% of Pakistan's National Assembly seats, while also controlling the provincial assembly in the North West Frontier Province (NWFP) and leading a coalition in the provincial assembly of Baluchistan. Pakistan's Islamists denounce Pakistani military operations in western tribal areas, resist governmental attempts to reform religious schools that teach militancy, and harshly criticize Islamabad's cooperation with the U.S. government and movement toward

¹⁰⁰ "President's Address to the Nation" (transcript), Pakistan Ministry of Foreign Affairs, July 21, 2005; "Madrassa Foreigners 'Must Leave,'" BBC News, July 29, 2005; "Pakistan Soldiers Raid Madrassa," BBC News, July 29, 2005; "Fazl Slams Crackdown on Seminaries," *News* (Karachi), July 23, 2005; "'We Will Start a Movement If the Crackdown on Madrassas Does Not Stop,'" *Khabrain* (Lahore in Urdu), July 27, 2005; "Madrassas Resist Registration," BBC News, Aug. 24, 2005.

¹⁰¹ In August 2004, 9/11 Commission Co-Chair Lee Hamilton told a House panel that the current five-year, \$100 million USAID program for Pakistan education reform was a "drop in the bucket" ("House International Relations Committee Holds Hearing on September 11 Commission Report," FDCH Transcripts, Aug. 24, 2004).

¹⁰² Samina Ahmed and Andrew Stroehlein, "Pakistan: Still Schooling Extremists," *Washington Post*, July 17, 2005. See also "Pakistan: Reforming the Education Sector," International Crisis Group Report 84, Oct. 7, 2004. Author interviews with Pakistani government officials and scholars have tended to confirm that movement on madrassa reform is slow, at best.

¹⁰³ John Lancaster and Kamran Khan, "At an Islamic School, Hints of Extremist Ties," *Washington Post*, June 13, 2004; Vali Nasr, "Military Rule, Islamism, and Democracy in Pakistan," *Middle East Journal* 58, 2, Spring 2004.

rapprochement with India. The leadership of the MMA's two main constituents — the Jamaat-i-Islami and the Jamiat-Ulema-Islami-Fazlur — are notable for their rancorous anti-American rhetoric; they have at times called for “jihad” against what they view as the grave threat to Pakistani sovereignty that alliance with Washington entails.¹⁰⁴ One senior MMA leader went so far as to suggest that Western governments may have “engineered” the 7/7 London bombings.¹⁰⁵ In addition to decrying and seeking to end President Musharraf's cooperation with the United States, many also are viewed as opposing the U.S.-supported Kabul government. In September 2003, Afghan President Karzai called on Pakistani clerics to stop supporting Taliban members who seek to destabilize Afghanistan. Two months later, the Afghan foreign minister complained that Taliban leaders were operating openly in Quetta and other cities in western Pakistan. In the wake of a March 2004 battle between the Pakistan Army and Islamic militants in the traditionally autonomous western Federally Administered Tribal Areas (FATA), Pakistan's interior minister accused MMA politicians of giving a “free hand” to terrorists.¹⁰⁶ Musharraf repeatedly has called on Pakistan's Muslim clerics to assist in fighting extremism and improving Pakistan's image as a moderate and progressive state, but there continues to be evidence that Pakistan's religious parties are becoming even more brazen in challenging these efforts.¹⁰⁷

Pakistan-U.S. Counterterrorism Cooperation¹⁰⁸

According to the U.S. Departments of State and Defense, Pakistan has afforded the United States unprecedented levels of cooperation by allowing the U.S. military to use bases within the country, helping to identify and detain extremists, and deploying tens of thousands of its own security forces to secure the Pakistan-Afghanistan border. The State Department's *Country Reports on Terrorism 2004* characterized Pakistan as one of the most important U.S. partners in the war on terrorism. A revived high-level U.S.-Pakistan Defense Consultative Group —

¹⁰⁴ See “Enlightened Moderation Threat to Country: Qazi,” *Dawn* (Karachi), Mar. 23, 2005; Owais Tohid, “‘Talibanization’ Fears in Pakistan,” *Christian Science Monitor*, Apr. 13, 2005. JUI leader Maulana Fazlur Rehman reportedly said he considers Americans to be “criminals” and the Taliban “innocent” (“MMA Opposes Pak-US Military Drive,” *News* (Karachi), June 24, 2003).

¹⁰⁵ Sadaqat Jan, “Radical Pakistani Lawmaker Says London Attacks May Have Been ‘Engineered’ by West,” Associated Press Newswires, July 8, 2005.

¹⁰⁶ “Karzai Tells Pakistan Clerics - Don’t Back Taliban,” Reuters, Sep. 12, 2003; Shaun Waterman and Anwar Iqbal, “Taliban Leaders Plotting in Cities,” *Washington Times*, Nov. 14, 2003; “MMA Accused of Patronizing Terrorists,” *Dawn* (Karachi), Apr. 1, 2004.

¹⁰⁷ Rana Qaisar, “Clerics Asked to Help Fight Terror,” *Daily Times* (Lahore), Feb. 18, 2004; Owais Tohid, “‘Talibanization’ Fears in Pakistan,” *Christian Science Monitor*, Apr. 13, 2005.

¹⁰⁸ This section written by (name redacted), Analyst in Asian Affairs. See also CRS Report RL31624, *Pakistan-U.S. Anti-Terrorism Cooperation*, by (name redacted); and CRS Report RS22148, *Combat Aircraft Sales to South Asia: Potential Implications*, by (name redacted), Richard Gri mmett, and (name redacted).

moribund since 1997 — has met three times since 2001. Pakistan was designated as a Major Non-NATO Ally of the United States in June 2004, and top U.S. officials regularly praise Pakistan’s anti-terrorism efforts.¹⁰⁹ The State Department indicates that Islamabad has captured more than 600 alleged terrorists and their supporters. Several hundred of these have been transferred to U.S. custody, including some top suspected Al Qaeda leaders.¹¹⁰ Pakistan also has been ranked third in the world in seizing terrorists’ financial assets.¹¹¹ In July 2005, President Bush said Pakistani President Musharraf “has been a good partner in the global war on terrorism and in the ideological struggle that we’re now engaged in.”¹¹²

In August 2004, then-State Department Coordinator for Counterterrorism Cofer Black was in Pakistan for a meeting of the U.S.-Pakistan Joint Working Group on Counterterrorism and Law Enforcement, the first since April 2003. In September 2004, President Bush met with President Musharraf in New York, where the two leaders reaffirmed their commitment to broaden and deepen the U.S.-Pakistan relationship, and Musharraf also visited Washington to inaugurate a new Congressional Pakistan Caucus at present comprised of 65 U.S. Representatives. In December 2004, Musharraf made a brief stopover in Washington, where President Bush praised the Pakistani leader for working to combat terrorism, saying that the Pakistani army “has been incredibly active and very brave in southern Waziristan.” Four months later, President Bush said that the United States is more secure “because Pakistani forces captured more than 100 extremists across the country [in 2004], including operatives who were plotting attacks against the United States.” Top U.S. government and military officials regularly meet with Musharraf in Islamabad to discuss counterterrorism and for consultations on regional security.¹¹³

¹⁰⁹ Ally designation was made on June 16, 2004, by President Bush under Section 517 of the Foreign Assistance Act of 1961, as amended. In January 2004, the Commander of the U.S. Central Command, Gen. Abizaid, said, “Pakistan has done more for the United States in the direct fight against Al Qaeda than any other country” (Ron Lorenzo, “Abizaid: Pakistan Best Ally in War on Terror,” *Defense Week*, Feb. 2, 2004).

¹¹⁰ U.S. Department of State, *Country Reports on Terrorism 2004*, Apr. 2005.

¹¹¹ U.S. Department of State, *Patterns of Global Terrorism 2002*, Apr. 2003. The United States has welcomed Pakistan’s response to relevant U.N. Security Council Resolutions, including seizure of more than \$10 million of Al Qaeda assets, and has provided assistance on drafting a new Pakistani Anti-Money Laundering/Terrorist Financing law (Statement of Paul Simons, Deputy Assistant Secretary of State for Economic and Business Affairs, before the House International Relations Committee, May 4, 2005).

¹¹² “White House Report,” U.S. Department of State Washington File, July 28, 2005.

¹¹³ “President and President Musharraf Discuss International Relations, Commerce,” White House Press Release, Dec. 4, 2004; “President Discusses War on Terror,” White House Press Release, Mar. 8, 2005; “Rumsfeld Meets US Ally Musharraf in Pakistan,” *Agence France Presse*, Apr. 13, 2005; Sadaqat Jan, “Chief of U.S. Central Command in Pakistan,” *Washington Post*, May 2, 2005; “U.S. Central Command Chief Meets With Pakistani President, Top Military Official,” *Associated Press*, July 19, 2005.

Obstacles

Many experts aver that, beginning most substantively with the policies of President Gen. Zia in the early 1980s, Islamabad's leaders have for decades supported and manipulated Islamic extremism as a means of forwarding their perceived strategic interests in the region. Thus, despite Pakistan's "crucial" cooperation, there continue to be doubts about Islamabad's full commitment to core U.S. concerns in the vast "lawless zones" of the Afghan-Pakistani border region where Islamic extremists find shelter.¹¹⁴ Until September 2001, Islamabad's was one of only three world governments to recognize the Afghan Taliban regime, and Pakistan had been providing material support to the Taliban movement throughout the 1990s. Especially worrisome are indications that members of the Taliban continue to receive logistical and other support inside Pakistan. Senior U.S. Senators reportedly have voiced such worries, including concern that elements of Pakistan's intelligence agencies might be helping members of the Taliban and other Islamic militants.¹¹⁵ In August 2003, at least three Pakistani army officers, including two colonels, were arrested on suspicion of having ties to Al Qaeda. Soon after, then-Deputy Secretary of State Armitage was quoted as saying he does "not think that affection for working with us extends up and down the rank and file of the Pakistani security community."¹¹⁶

In October 2003 testimony before the Senate Foreign Relations Committee, Assistant Secretary of Defense Peter Rodman said, "There are elements in the Pakistani government who we suspect are sympathetic to the old policy of before 9/11," adding that there still existed in northwestern Pakistan a radical Islamic infrastructure that "spews out fighters that go into Kashmir as well as into Afghanistan." In July 2004, a senior Pakistan expert told the same Senate panel that, "in the absence of greater U.S. guarantees regarding Pakistan's long-run security interests, it is dangerous [for the Pakistani military] to completely remove the threat of extremism to Kabul and Delhi." He went on to characterize a full and sincere decision by Islamabad to eradicate extremism as "tantamount to dismantling a weapons system."¹¹⁷ Until mid-2004, the number of Al Qaeda figures arrested in Pakistan had been fairly static for more than one year, causing some U.S. military

¹¹⁴ Statement of George Tenet Before the Senate Select Committee on Intelligence, "Worldwide Threats to National Security," Feb. 6, 2002.

¹¹⁵ James Dao, "Terror Aid From Pakistan Concerns Senators," *New York Times*, Feb. 13, 2003. See also Testimony of Timothy Hoyt Before the Joint Hearing of the Subcommittees on Asia and the Pacific and International Terrorism, Nonproliferation, and Human Rights, Oct. 29, 2003.

¹¹⁶ Owen Bennett-Jones, "The Threat of Pakistan's Suicide Bombers," BBC News, Nov. 19, 2004; "Armitage: Some Pakistanis Reluctant to Work With US," Reuters, Sep. 30, 2003.

¹¹⁷ "Senate Foreign Relations Committee Holds Hearing on Security and Democracy in Afghanistan," FDCH Transcripts, Oct. 16, 2003; Testimony of Professor Vali Nasr, "Senate Foreign Relations Committee Holds Hearing on Pakistan and Counterterrorism," FDCH Transcripts, July 14, 2004.

officials to question the extent of Islamabad's commitment to this aspect of U.S.-led counterterrorism efforts.¹¹⁸

A July 2004 hearing of the Senate Foreign Relations Committee focused specifically on Pakistan and counterterrorism. One area in which there appeared to be consensus among the three-person panel of veteran Pakistan watchers was the potential problems inherent in a U.S. over-reliance on President Gen. Pervez Musharraf as an individual at the potential cost of more positive development of Pakistan's democratic institutions and civil society. Many analysts believe such development is key to the long-term success of stated U.S. policy in the region. According to one expert, the United States is attempting to deal with Pakistan through "policy triage and by focusing on the personal leadership of President Musharraf," both of which are "flawed concepts." Another provided similar analysis, asserting that Musharraf is best seen as a "marginal satisfier" who will do only the minimum expected of him. This analyst recommended that, "The United States must alter the impression our support for Pakistan is essentially support for Musharraf," a sentiment echoed by many Pakistani commentators, as well. These perspectives suggest that many observers reject the specific conclusion of the *9/11 Commission Report* that Musharraf's government is the "best hope for stability in Pakistan and Afghanistan."¹¹⁹

Pakistani Military Operations

Background. In an effort to block infiltration along the Pakistan-Afghanistan border, Islamabad had by the end of 2002 deployed some 70,000 troops to the region. In April 2003, the United States, Pakistan, and Afghanistan formed a Tripartite Commission to coordinate their efforts to stabilize the border areas. In June 2003, in what may have been a response to increased U.S. pressure, Islamabad for the first time sent its armed forces into the Federally Administered Tribal Areas (FATA) in search of Al Qaeda and Taliban fighters who have eluded the U.S.-led campaign in Afghanistan. By September 2003, Islamabad had up to 25,000 troops in the tribal areas, and a major operation — the first ever of its kind — took place in coordination with U.S.-led forces on the Afghan side of the border. A firefight in early October saw Pakistani security forces engage suspected Al Qaeda fugitives in South Waziristan, the southernmost of the FATA's seven districts which borders Afghanistan's Paktika province.¹²⁰ The operations encouraged U.S. officials, who saw in them a positive trend in Islamabad's commitment to tracking and capturing wanted extremists on Pakistani territory. Still, these officials admitted that the

¹¹⁸ Author interviews with U.S. military officials, Islamabad, Jan. 2004.

¹¹⁹ See the testimony of Ambassador Teresita Schaffer and Professor Marvin Weinbaum, "Senate Foreign Relations Committee Holds Hearing on Pakistan and Counterterrorism," FDCH Transcripts, July 14, 2004; Ahmed Quraishi, "Assassination: The Message," *News* (Karachi), Aug. 3, 2004; Section 12.2 of *The 9/11 Commission Report*, available at [<http://www.gpoaccess.gov/911/>].

¹²⁰ John Lancaster, "Pakistan Touts Control of Border," *Washington Post*, Sep. 2, 2003; "Pakistan Army Launches Border Operation," BBC News, Sep. 4, 2003.

Pakistani government was finding it more difficult politically to pursue Taliban members who enjoy ethnic and familial ties with Pakistani Pashtuns.¹²¹

After the two December 2003 attempts on President Musharraf's life, the Pakistan military increased its efforts in the FATA. Many analysts speculated that the harrowing experiences brought a significant shift in Musharraf's attitude and caused him to recognize the dire threat posed by radical groups based in his country. In February 2004, Musharraf made his most explicit admission to date that Muslim militants were crossing from Pakistan into Afghanistan to battle coalition troops there. In the same month, the Vice Chairman of the U.S. Joint Chiefs of Staff told a Congressional panel that the Islamabad government had "taken some initiatives to increase their military presence on the border, such as manned outposts, regular patrols, and security barriers." By August 2004, 75,000 Pakistani troops were in the western border areas. Islamabad's more energetic operations in the western tribal regions brought vocal criticism from Musharraf's detractors among Islamist groups, many of whom accuse him of taking orders from the United States.¹²²

Operations in 2004. In March 2004, up to 6,000 Pakistani soldiers took part in a pitched, 12-day battle with Islamic militants in South Waziristan. More than 130 people were killed in the fighting, including 46 Pakistani soldiers, but no "high-value" Al Qaeda or Taliban fugitives were killed or captured. Pakistani officials called the operation a victory, but the apparent escape of militant leaders, coupled with the vehement and lethal resistance put up by their well-armed cadre (believed to be remnants of the Islamic Movement of Uzbekistan), led many observers to call the operation a failure marked by poor intelligence and hasty planning.¹²³ During the course of the battle, Pakistani troops began bulldozing the homes of Wazirs who were suspected of providing shelter to "foreign terrorists," and the United States made a short-notice delivery of 2,500 surplus protective vests to the Pakistani military.¹²⁴

Concurrent with these developments, the Islamabad government made progress in persuading Pashtun tribal leaders to undertake their own efforts by organizing tribal "lashkars," or militias, for the purpose of detaining (or at least expelling)

¹²¹ See the testimony of both William Taylor and Brig. Gen. Gary North in "Transcript: Senate Foreign Relations Committee Holds Hearing on Security and Democracy in Afghanistan," FDCH Transcripts, Oct. 16, 2003.

¹²² David Rohde and Carlotta Gall, "Pakistani Offensive Aims to Drive Out Taliban and Al Qaeda," *New York Times*, Feb. 23, 2004; "Pakistan Says That Afghan Rebels May Be Using Its Soil," Reuters, Feb. 12, 2004; Statement of Gen. Peter Pace Before the House Committee on Armed Services, Feb. 4, 2004; "Pakistan rejects Border Criticism," BBC News, Aug. 26, 2004; "Fazl Accuses Govt for Taking Dictation From US for Tribal Operation," Pakistan Press International, Jan. 14, 2004; "US Provoking Tribesmen Against Army, Says Qazi," *Dawn* (Karachi), Feb. 24, 2004.

¹²³ Pamela Constable, "Conflict Ends in Pakistani Tribal Lands," *Washington Post*, Mar. 29, 2004; Owais Tohid, "Mixed Results for Pakistan's Tribal Offensive," *Christian Science Monitor*, Mar. 31, 2004.

¹²⁴ Owais Tohid, "Pakistan Marks Pro-Al Qaeda Clan," *Christian Science Monitor*, Mar. 23, 2004; U.S. Embassy Islamabad Press Release, Mar. 24, 2004.

wanted fugitives.¹²⁵ Political administrators in the district, impatient with the slow pace of progress, issued an “ultimatum” that included threats of steep monetary fines for the entire tribe, as well as for any individuals who provide shelter to “unwanted foreigners.”¹²⁶ After March’s military setback, a deadline was set for foreigners living in the tribal areas to register with the government and surrender their weapons with the understanding that they would be allowed to remain in Pakistan if they forswore terrorism. The original date passed without a single registrant coming forward and the government extended the deadline on several occasions.

On April 24, 2004, the five most-wanted Pashtun tribesmen “surrendered” to government authorities and were immediately granted amnesty in return for promises that they would not provide shelter to Al Qaeda members or their supporters. All five were reported to be supporter’s of Maulana Fazlur Rehman’s JUI Islamist party. Islamabad insisted that this “Shakai agreement” would mark no diminution of its counterterrorism efforts, but the top U.S. military officer in Afghanistan at the time, Lt. Gen. David Barno, expressed concern that Pakistan’s strategy of seeking reconciliation with militants in western tribal areas “could go in the wrong direction.” Almost immediately upon making the deal, the most outspoken of the tribal militants, 27-year-old Nek Mohammed, who had fought with the Taliban in Afghanistan, issued threats against Islamabad and pledged his fealty to fugitive Taliban chief Mohammed Omar. During the following weeks, a series of what some analysts called “spurious” deals were struck between the government and foreign militants, but these proved unsuccessful after the foreigners failed to register, and numerous tribal militias sought but failed to capture any of them.¹²⁷

In response to this apparent failure of its conciliatory approach, Islamabad ordered authorities in South Waziristan to shutter more than 6,000 merchant shops in an effort to use economic pressure against uncooperative tribesmen, and a “massive mobilization” of federal troops was reported. Then, in June, the government rescinded its amnesty offer to the five key militants noted above and issued a “kill or capture” order against them. The next day, fixed-wing Pakistani warplanes bombed three compounds being used by militants in South Waziristan, including one that was described as a terrorist training camp. More than 20,000

¹²⁵ There are indications that such progress came through outright coercion. The top U.S. commander in Afghanistan at the time, Lt. Gen. Barno, said that Pakistani government and military officials threatened tribal leaders with “destruction of homes and things of that nature” unless they cooperated (“U.S. Says Pakistan is Confronting Tribal Leaders,” *New York Times*, Feb. 17, 2004).

¹²⁶ David Rohde and Ismail Khan, “Pakistan Adopting a Tough Old Tactic to Flush Out Qaeda,” *New York Times*, Jan. 31, 2004; Ismail Khan, “Operation in S. Waziristan,” *Dawn* (Karachi), Feb. 18, 2004; Iqbal Khattak, “Army Ready to Search South Waziristan,” *Daily Times* (Lahore), Feb. 18, 2004.

¹²⁷ “Rebel Tribesmen Agree to Surrender,” *Gulf News* (Dubai), Apr. 24, 2004; M. Ilyas Khan, “Who Are These People,” *Herald* (Karachi), Apr. 2004; “US ‘Concern’ at Pakistan Strategy,” BBC News, May 3, 2004; Zeeshan Haider, “Pakistani Militant Says Taliban Boss His Leader,” Reuters, May 6, 2004; “Pakistan Dealing With Both Hands,” Stratfor.com, May 13, 2004; “Pakistan Amnesty Deal Hit By Setback,” BBC News, May 124, 2004; “Lashkar Completes Hunt in Azam Warsak,” *News* (Karachi), May 19, 2004.

troops were said to be involved in a sweep operation that left about 72 people dead, including 17 soldiers, after three days of fighting.¹²⁸ On June 18, Nek Mohammed was located, apparently through signals intelligence, and was killed along with seven others by a missile that may have come from an American Predator drone.¹²⁹

In early September 2004, some 55 suspected Islamic militants were killed when Pakistan warplanes attacked an alleged Al Qaeda training camp in South Waziristan. The military claimed that 90% of the dead were foreigners (mostly Uzbeks and Chechens), but other reports said half were locals, and eyewitnesses told of numerous civilian casualties. Intense fighting continued throughout the month, bringing renewed criticism of the government by both human rights groups and Islamist leaders. The Islamabad government is said to be paying reparations for property damage, and for the death or injury of innocents.¹³⁰

In mid-September 2004, Abdullah Mahsud — a Pakistani Pashtun militant who lost a leg fighting for the Taliban in Afghanistan and who was held for more than two years at the U.S. facility at Guantanamo Bay before being released in 2004 — reportedly refused to allow Pakistan security forces to use a key road connecting North and South Waziristan. Mahsud was believed to be trying to fill the shoes of Nek Mohammed, a leading tribal militant killed in June. In October, two Chinese engineers traveling through South Waziristan along with two Pakistani security officers were kidnaped by Mahsud and his followers, who threatened to kill their hostages. Pakistani commandos stormed the militants' hideout and killed five kidnappers inside, but Mahsud was not found (one Chinese national was freed, but the other was killed in the shootout). Later in the month, a group of tribal leaders who had been trying to broker Mahsud's surrender came under attack from what the military called rockets fired by "miscreants." Fourteen were killed in a sign of growing intra-tribal conflict over government policy in the FATA.¹³¹

In the midst of ongoing and lethal military operations, the five most-wanted Pashtun tribal militant leaders in South Waziristan "surrendered" to government

¹²⁸ Ismail, Khan, "Wana Amnesty for Militants Revoked," *Dawn* (Karachi), June 10, 2004; Salman Masood, "Pakistan Bombs Compounds Used by Foreign Militants," *New York Times*, June 11, 2004; Munir Ahmad, "Pakistan Ends Operation Against Al Qaeda suspects," *Washington Post*, June 14, 2004.

¹²⁹ "Pakistan Army Kills Tribal Leader," BBC News, June 18, 2004; Ismail Khan and Dilawar Khan Wazir, "Night Raid Kills Nek, Four Other Militants," *Dawn* (Karachi), June 19, 2004.

¹³⁰ "Raid on Al Qaeda Camp Kills 55," CNN.com, Sep. 9, 2004; Dilawar Khan Wazir, "Wana Dead Included 25 Local Militants," *Dawn* (Karachi), Sep. 12, 2004; "Pakistan Opposition, Rights Leaders Condemn Military Attack on Tribal Areas," BBC Monitoring South Asia, Sep. 11, 2004; "Qazi Terms Wana Action State Terrorism," *Dawn* (Karachi), Sep. 12, 2004; Imtiaz Gul, "Wana Turning Into a War Zone," *Friday Times* (Lahore), Oct. 1, 2004; Amir Mohammed Khan, "Army Operation in S Waziristan to End Soon: IPSR," *News* (Karachi), Dec. 8, 2004.

¹³¹ Dilawar Khan Wazir, "Waziristan Clashes Leave 13 Dead," *Dawn* (Karachi), Sep. 13, 2004; "14 Pakistani Tribesmen Killed While Trying to Broker Militant Surrender," *Agence France Presse*, Oct. 27, 2004.

authorities in November 2004 by promising to remain peaceful and provide no shelter to foreign militants. In return, the government reportedly vowed to pay reparations for property damage and to release tribal prisoners. Soon after, the regional corps commander declared that “peace has been restored in Wana,” the area where the bulk of combat took place in 2004. The general also announced that all but 3,000 troops and nine check posts would be withdrawn from the Wana region, where less than one hundred militants were said to remain. A U.S. State Department spokesman later said the United States was assured that Pakistani forces were not withdrawing from Waziristan and that Pakistan remained “fully committed to continuing the campaign against Al Qaeda and Al Qaeda supporters.”¹³² The Peshawar Corps Commander reported that 35 military operations in Waziristan left 250 militants (and 175 Pakistani soldiers) dead and 600 captured in 2004, but no “high-value targets” are known to have been among these, and the militants swept out of South Waziristan were believed to have found refuge in other areas where Pakistani troops are not active.¹³³

Operations in 2005. During 2005, attention shifted to the North Waziristan district where Pakistani security forces made sporadic raids in which scores of suspected militants — local Pashtun tribals, Afghans, and other foreigners such as Uzbeks and Arabs — were killed or captured.¹³⁴ In early spring, Pakistani commanders issued warnings to Wazir tribal leaders that failure to expel foreign militants from the region would result in large-scale military operations and, in April, hundreds of Pakistani troops reportedly launched search operations for foreign militants in North Waziristan near the Afghan border.¹³⁵ A top U.S. military commander in Afghanistan claimed Pakistan was launching new major operations in the region, eliciting strong denials from a Pakistani commander who called the claim “highly irresponsible.”¹³⁶ Reports suggest that tensions in North Waziristan remain high.¹³⁷

¹³² “Pakistan Troops Launch New Attack,” BBC News, Nov. 12, 2005; Iqbal Khattak and Mujeebur Rehman, “Wazir Militants Agree to Peace Pact,” *Daily Times* (Lahore), Nov. 11, 2004; Mohamed Khan and David Rohde, “Pakistan to Scale Back Force Around Town Near Afghan Border,” *New York Times*, Nov. 28, 2004; State Department Noon Briefing, Nov. 29, 2004.

¹³³ Aamer Ahmed Khan, “Musharraf Thrives on US Support,” BBC News, Dec. 8, 2004; Qudissa Akhlaque, “Militants Find New Sanctuaries,” *Dawn* (Karachi), Dec. 11, 2004.

¹³⁴ See, for example, “20 Suspects Held in N Waziristan Raid,” *News* (Karachi), Jan. 16, 2005; “Pakistan Army Raids Village in Hunt for Al Qaeda,” Reuters, Mar. 13, 2005; “18 Killed in Clashes Near Afghan Border,” Associated Press, July 17, 2005.

¹³⁵ “N. Waziristan Elders Warned of Action,” *Dawn* (Karachi), Mar. 12, 2005; Iqbal Khattak, “Military Warns Tribes of Action,” *Daily Times* (Lahore), Apr. 20, 2005; “Troops Launch Search Operation in N Waziristan,” *News* (Karachi), Apr. 22, 2005.

¹³⁶ “US Military Claim Angers Pakistan,” BBC News, Apr. 20, 2005.

¹³⁷ Zulfiqar Ali, “Perpetual Siege,” *Herald* (Karachi), May 2005.

The Islamabad government's "peace deals" with South Waziristan militants appear to have largely ended overt conflict there in 2005.¹³⁸ However, there are indications that underlying tensions remain significant and could bring future unrest.¹³⁹ In March, Islamic militants in the Wana area warned the peace there could unravel if the government reneged on promises to remove checkpoints and pay compensation for damage to local homes and, in May, a bomb exploded at the home of a tribal leader in South Waziristan, killing two women and four children. On the first anniversary of Nek Mohammed's June 2004 death, Muslim clerics and "thousands" of Taliban in South Waziristan reportedly marked occasion by vowing to continue their jihad against America. One month later, gunmen killed nine tribesmen, including five pro-government tribal elders, in three separate attacks in South Waziristan. The elders had been assisting army efforts to capture or kill fugitive Islamic militants in the region.¹⁴⁰ Despite this violence, Pakistani officials insist that Al Qaeda-linked militants have been completely eradicated from South Waziristan.¹⁴¹

Fallout. As was noted above, President Musharraf's post-September 2001 policy reversals and his efforts to crack down on Islamic extremist groups likely motivated the two deadly December 2003 attempts to assassinate the Pakistani leader. As Pakistan's coercive counterterrorism policies became more vigorous, numerous observers warned that increased government pressure on tribal communities and military operations in the FATA were creating a backlash, sparking unrest and strengthening pro-Al Qaeda sentiments both there and in Pakistan's southern and eastern cities.¹⁴² Developments in 2004 appeared to have borne out these analyses. As his army battled militants in South Waziristan in June of that year, President Musharraf told an interviewer that he was concerned about "fallout" from the recent military operations, and a Pakistan Army spokesman drew direct links between a six-week-long spate of mostly sectarian bombings and killings in Karachi and government efforts to root out militants in South Waziristan. A leading pro-

¹³⁸ In early 2005, a Pakistan Army spokesman confirmed that a November 2004 deal included giving Baitullah Mehsud and three other tribal leaders about \$540,000 to repay loans they had taken from Al Qaeda. Abdullah Mehsud vowed to continue his "jihad" despite the pact between the Pakistan government and several of his former allies. ("Pakistan Pays Tribe Al Qaeda Loan," BBC News, Feb. 9, 2005; "Abdullah Mehsud Says He Will Continue 'Jihad,'" *Daily Times* (Lahore), Feb. 10, 2005).

¹³⁹ "Waziristan Set for Uncertain Future," *Jane's Terrorism and Security Monitor*, Mar. 16, 2005; Imtiaz Gul, "South Waziristan: A Case of Fudging the Facts," *Friday Times* (Lahore), June 3, 2005; Rahimullah Yusufzai, "Threats by Tribal Commanders Fuels Concern in S Waziristan," *News* (Karachi), July 29, 2005.

¹⁴⁰ Rahimullah Yusufzai, "Situation Could Worsen If Pact Ignored, Warn Militants," *News* (Karachi), Mar. 10, 2005; "Waziristan House Bomb Kills Six," BBC News, May 25, 2005; Iqbal Khattak, "Wana Clerics Vow to Continue Jihad," *Daily Times* (Lahore), June 20, 2005; "Assailants Kill Tribal Elders in Pakistan," *New York Times*, July 22, 2005.

¹⁴¹ "Pakistan 'Clears Al Qaeda Haven,'" BBC News, May 28, 2005.

¹⁴² See, for example, Iqbal Khattak, "Military Operation in Waziristan May Backfire," *Friday Times* (Lahore), Feb. 20, 2004; Simon Denyer and Zeeshan Haider, "Pakistan Risks Enraging Tribes in Bin Laden Hunt," Reuters, Mar. 21, 2004; Mazhar Abbas, "Wana to Karachi: Militants Take on the Army," *Friday Times* (Lahore), June 18, 2004.

Taliban militant in the tribal areas accused Islamabad of “conniving” with the U.S. government to kill Nek Mohammed, and he warned that military operations in South Waziristan would lead to further violence across Pakistan. Several international aid organizations suspended their operations in the Baluchistan province after receiving threats of suicide attacks.¹⁴³

Islamic militant outrage appeared to again peak in mid-summer 2004: During the week spanning July and August, a suicide bomber killed a senior Pakistani intelligence officer in Kohat near the tribal areas; another suicide bomber murdered nine people in a failed attempt to assassinate Pakistan’s Prime Minister-designate (an Al Qaeda-affiliated group claimed responsibility for the attack); and gunmen killed a police officer in a failed effort to assassinate the Baluchistan Chief Minister. As conflict and bloodshed in Pakistan increased, analysts again expressed acute concerns about the country’s fundamental political stability.¹⁴⁴

U.S. Military Presence

The issue of small-scale and sporadic U.S. military presence on Pakistani soil is a sensitive one, and reports of even brief incursions from neighboring Afghanistan have caused tensions between Islamabad and Washington.¹⁴⁵ In March 2004, U.S. and Afghan forces conducted Operation Mountain Storm southern and eastern Afghanistan, employing new tactics and in coordination with Pakistani troops across the international border.¹⁴⁶ A press report earlier in the year had suggested that the U.S. military in Afghanistan had plans for a spring offensive that would “go into Pakistan with Musharraf’s help” to neutralize Al Qaeda forces, a suggestion that President Musharraf’s said was “not a possibility at all.” The Commander of U.S. Central Command, Gen. Abizaid, stated that he had no plans to put U.S. troops in Pakistan against Islamabad’s wishes, and a senior U.S. diplomat and senior U.S. military officer later told a House Armed Services Committee panel that it is “absolutely” the policy of the United States to keep its troops on the Afghan side of the Afghan-Pakistani border. In April 2004, the U.S. Ambassador to Afghanistan caused some further annoyance in Islamabad when he said that the Pakistani leadership must solve the ongoing problem of militant infiltration into Afghanistan or “we will have to do it for ourselves.” American artillery reportedly can be fired

¹⁴³ “Musharraf Worried About Wana Operation Fallout,” *Dawn* (Karachi), June 21, 2004; Hafiz Wazir, “Pakistan Kills Pro-Al Qaeda Tribal Fighter,” Reuters, June 18, 2004; Rahimullah Yusufzai, “Militants’ Commander Warns of Wana Fallout,” *News* (Karachi), Aug. 1, 2004; “Agencies Halt Pakistan Operations,” BBC News, June 6, 2004.

¹⁴⁴ “Bomb Kills Pakistan Intelligence Chief,” CNN.com, July 28, 2004; “Several Arrests Made in Pakistan Attack,” *New York Times*, Aug. 1, 2004; “Pakistan Politician Survives Raid,” BBC News, Aug. 2, 2004. On political stability, see, for example, expert testimony before the Senate Foreign Relations Committee on “Pakistan and Counterterrorism,” July 14, 2004; “Musharraf’s Tightrope Act,” *Jane’s Intelligence Digest*, Aug. 6, 2004.

¹⁴⁵ “Pakistan Protests at US Incursion,” BBC News, May 5, 2004.

¹⁴⁶ “US Launches Major Al Qaeda Hunt,” BBC News, Mar. 20, 2004; David Sanger and Eric Schmitt, “New U.S. Effort Steps Up Hunt for Bin Laden,” *New York Times*, Feb. 29, 2004.

onto militant forces with Islamabad's permission.¹⁴⁷ U.S. military officials in Kabul say that Pakistan has agreed to allow "hot pursuit" up to ten kilometers into Pakistani territory, although this is officially denied by the Islamabad government.¹⁴⁸

Since the spring of 2002, U.S. military and law enforcement personnel reportedly have been engaging in direct, low-profile efforts to assist Pakistani security forces in tracking and apprehending fugitive Al Qaeda and Taliban fighters on Pakistani territory, especially with signals and other intelligence. U.S. forces in Afghanistan reportedly provide significant support to Pakistani forces operating near the Afghan border — including spy satellites, electronic surveillance planes, armed aerial drones, and sophisticated ground sensors — and law enforcement efforts within Pakistan reportedly benefit from CIA- and FBI-supplied surveillance equipment and other backing. There also have been reports that the United States is assisting Pakistan in the creation of a 700-man "Counter-Terrorism Cell," and Pakistan's air force chief said in September 2004 that U.S. forces continued to make use of several air bases near the Afghan border.¹⁴⁹

U.S. Government Assistance

Security-related U.S. assistance programs for Pakistan are said to be aimed at bolstering Islamabad's counterterrorism and border security efforts, and have included U.S.-funded road-building projects in the Northwest Frontier Province and Federally Administered Tribal Areas, the provision of night-vision equipment, communications gear, protective vests, 26 transport helicopters, and, currently in the pipeline, six used C-130 transport aircraft. The United States also has undertaken to train and equip new Pakistan Army Air Assault units that can move quickly to find

¹⁴⁷ Christine Spolar, "U.S. Plans Al Qaeda Offensive That Would Reach Inside Pakistan," *Chicago Tribune*, Jan. 27, 2004; Stephan Graham, "U.S. Military 'Sure' to Catch Bin Laden," *Chicago Tribune*, Jan. 29, 2004; "House Armed Services Committee Holds Hearing on Afghanistan Security and Reconstruction," FDCH Transcripts, Apr. 29, 2004; "Envoy Warns Pakistan Over Havens," CNN.com, Apr. 5, 2004; Thomas Coghlan, "Up Close in al Qaeda Hunt," BBC News, Oct. 13, 2004.

¹⁴⁸ Author interviews with U.S. military officials, Kabul, Jan. 2004. Pakistan also denied a March 2004 report that it had agreed to allow U.S. Special Forces soldiers on its territory in return for a softened U.S. policy toward Pakistan's apparent role in nuclear proliferation activities, and a December 2004 report that the C.I.A. had established a series of small, covert bases in northwestern Pakistan in late 2003 where U.S. agents work under strict Pakistani supervision in the hunt for Osama bin Laden (Seymour Hersh, "The Deal," *New Yorker*, Mar. 8, 2004; James Risen and David Rohde, "A Hostile Land Foils the Quest for Bin Laden," *New York Times*, Dec. 13, 2004).

¹⁴⁹ Josh Meyer and Greg Miller, "Terror Plotter May Be Trapped," *Los Angeles Times*, Mar. 19, 2004; Howard LaFranchi, "Arrests Bolster Bush's Embrace of Pakistan," *Christian Science Monitor*, Aug. 9, 2004; Imtiaz Gul, "In the Clutches of the CIA-FBI Combine," *Friday Times* (Lahore), Aug. 13, 2004; Mubasher Bukhari, "US Will Help Pakistan Set Up Anti-Terror Cell," *Daily Times* (Lahore), Sep. 3, 2004; A.H. Khanzada, "US Forces Operating From PAF Forward Bases: CAS," *News* (Karachi), Sep. 15, 2004.

and target terrorist elements.¹⁵⁰ The Chairman of the U.S. Joint Chiefs of Staff reports that the Pakistani Army has “significantly improved their counterterrorism capabilities, thanks in part to equipment we are providing them, and has played a vital role in enhancing security in this region.”¹⁵¹

In September 2004, the Pentagon notified Congress of the possible Foreign Military Sale to Pakistan of \$78 million worth of military radio systems meant to improve Pakistani communication capabilities and to increase interoperability between Pakistani and U.S.-led counterterrorist forces. In November, potential sales to Pakistan of eight P-3C maritime reconnaissance aircraft, six Phalanx naval guns, and 2,000 TOW anti-armor missiles were announced. The deals could be worth up to \$1.2 billion for Lockheed Martin and Raytheon, the prime contractors. The Department of Defense characterizes the P-3Cs and TOW missiles as having significant anti-terrorism applications (a claim that has elicited skepticism from some analysts), and it asserted that the proposed sales would not affect the military balance in the region. India’s external affairs minister has “cautioned the United States” against any decision to sell F-16 fighter jets to Pakistan, adding that the “U.S. arms supply to Pakistan would have a negative impact on the goodwill the United States enjoys with India, particularly as a sister democracy.” The Pentagon reports Foreign Military Sales agreements with Pakistan worth \$27 million in FY2002, \$167 million in FY2003, and \$176 million in FY2004.¹⁵²

With FY2005 appropriations included, Pakistan will have received \$1.1 billion in direct U.S. security-related assistance since September 2001 (Foreign Military Financing totaling nearly \$675 million plus about \$437 million for other programs, see Figure 1).¹⁵³ Congress also has allocated billions of dollars in additional defense spending to reimburse Pakistan and other cooperating nations for their support of U.S. counterterrorism operations. Pentagon documents indicate that Pakistan received coalition support funding of more than \$1.3 billion for the period January 2003-September 2004, an amount roughly equal to one-third of Pakistan’s total defense expenditures during that period. A report of the House Armed Services Committee (H.Rept. 109-89) said the Secretary of Defense expects to disburse another \$1.2 billion to Pakistan in FY2005.

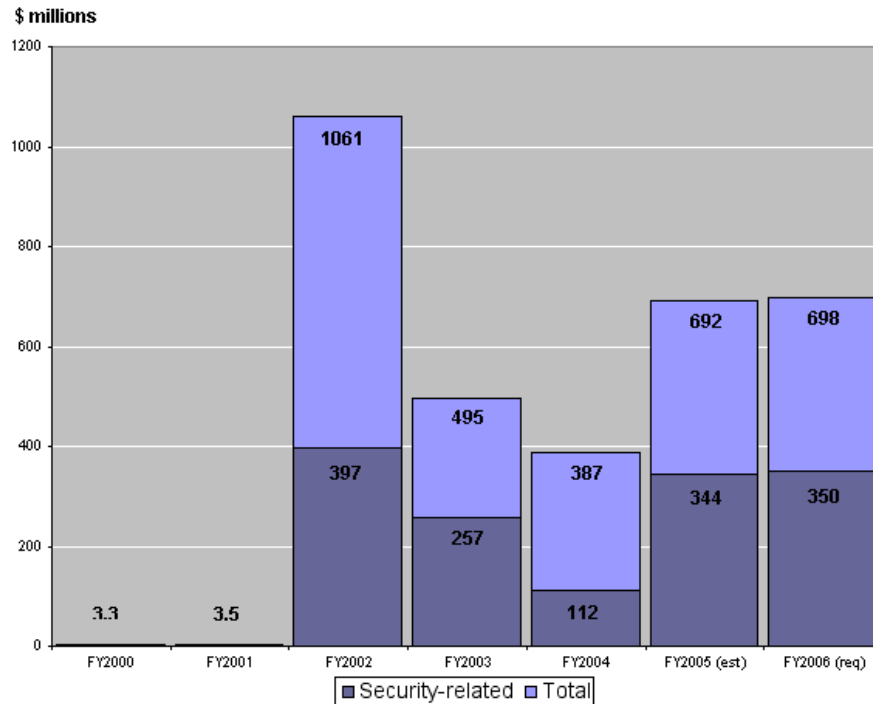
¹⁵⁰ Statement of Lt. Gen. Walter Sharp Before the House Committee on Armed Services, Apr. 29, 2004; Mubasher Bukhari, “US Choppers Given to Army Aviation Wing,” *Daily Times* (Lahore), July 25, 2004; U.S. Department of State, *Congressional Budget Justification for Foreign Operations, FY2005*, released Feb. 10, 2004.

¹⁵¹ Statement of Gen. Richard Myers before the Senate Armed Services Committee, Feb. 17, 2005.

¹⁵² “India Cautioned US Against Selling F-16s to Pakistan: Foreign Minister,” *Agence France Presse*, Dec. 8, 2004; on sales figures, see Defense Security Cooperation Agency Facts Books 2003, available at [<http://www.dsca.osd.mil>]. See also see also CRS Report RS22148, *Combat Aircraft Sales to South Asia: Potential Implications*, by (name redacted), Richard Grimmett, and (name redacted).

¹⁵³ “Security-related assistance” here includes Foreign Military Financing; International Military Education and Training; International Narcotics Control and Law Enforcement; Nonproliferation, Anti-Terrorism, Demining, and Related; and Peacekeeping Operations.

**Figure 1. U.S. Assistance to Pakistan,
FY2001-FY2005 and 2006 Administration Request**



Sources: U.S. Department of State and U.S. Agency for International Development

Notes: FY2005 amounts are estimates, FY2006 amounts are requested. FY2005 amounts include Emergency Supplemental Appropriations Act, 2005 (P.L. 109-13) funding of \$150 million in FMF and \$4 million in additional counter-drug funding for Pakistan.

During 2004, there were clear indications that both the United States and Pakistan were re-invigorating their efforts to find and capture those terrorists and their supporters remaining in Pashtun-majority areas of Afghanistan and Pakistan. Moreover, during mid-2005, President Musharraf has taken further steps to crack down on indigenous Pakistani extremist groups. Many of these groups have links not only to individuals and organizations actively fighting in Afghanistan and Pakistan, but also with groups that continue to pursue a violent separatist campaign in the disputed Kashmir region along Pakistan's northeast frontier. A November 2003 cease-fire agreement between Pakistan and India holds at the time of this writing, and appears to have contributed to what New Delhi officials acknowledge is a major decrease in the number of "terrorist" infiltrations.¹⁵⁴ However, separatist militants vowed in January 2004 to continue their struggle regardless of the status of the nascent Pakistan-India dialogue.

¹⁵⁴ In January 2005, India's army chief said that the number of infiltration attempts at the Kashmiri Line of Control were down 90 percent in 2004 ("Infiltration on LoC Down 90 Percent: Army Chief," Indo-Asian News Service, Jan. 15, 2005).

Terrorism in Kashmir and India¹⁵⁵

As a vast mosaic of ethnicities, languages, cultures, and religions, India can be difficult to govern. Internal instability resulting from diversity is further complicated by colonial legacies such as international borders that separate members of the same ethnic groups, creating flashpoints for regional dissidence and separatism. Separatist movements in the northwestern Jammu and Kashmir state, and in remote and underdeveloped northeast regions, confound New Delhi and create international tensions by operating out of neighboring Pakistan, Bangladesh, Burma, Bhutan, and Nepal. Moreover, indigenous Maoist rebels continue to operate in eastern states, possibly in collusion with Nepali Maoists at war with the Kathmandu government. The Indian Home Ministry reported to Parliament that a total of 7,458 people were killed in 10,788 incidents of separatist and Maoist “Naxalite” violence in India during the year ending October 31, 2004. More than half of these deaths and incidents occurred in Kashmir.¹⁵⁶

Kashmiri Separatism

Separatist violence in India’s Jammu and Kashmir state has continued unabated since 1989. New Delhi has long blamed Pakistan-based militant groups for lethal attacks on Indian civilians, as well as on government security forces, in both Kashmir and in major Indian cities.¹⁵⁷ India holds Pakistan responsible for providing material support and training facilities to Kashmiri militants. Pakistan denies rendering anything more than diplomatic and moral support to separatists, and it remains critical of India’s allegedly severe human rights violations in Jammu and Kashmir.¹⁵⁸ Disagreement over the meaning of the word “terrorism” has been a sticking point in

¹⁵⁵ This section written by (name redacted), Analyst in Asian Affairs.

¹⁵⁶ “7,458 Persons Killed in Kashmir, North-East, and Naxal Violence,” Press Trust of India, Dec. 15, 2004.

¹⁵⁷ Grenade and bomb attacks against civilians have been a regular occurrence in India and Indian Kashmir for many years. Among the notable terrorist incidents in recent times were a May 2002 attack on an Indian army base in Kaluchak, Kashmir that killed 37, many of them women and children (New Delhi identified the attackers as Pakistani nationals); a July 2002 attack on a Jammu village that killed 27; an August 2002 grenade attack in Kashmir that killed nine Hindu pilgrims and injured 32 others; a September 2002 attack on a Gujarat temple that left 32 dead; a March 2003 massacre of 24 Hindu villagers in Nadimarg, Jammu; a July 2003 attack on a Jammu village that killed seven and injured more than 20; a July 2003 bus bombing in a Bombay suburb that left four dead and 42 injured; and a pair of August 2003 car bombings in a crowded Bombay district that killed 52 and injured some 150 more. Indian authorities linked each of these attacks to the LeT, although the last may have been planned by indigenous elements (John Lancaster, “India Shocked by Bombay Bombings, and Suspects,” *Washington Post*, Sep. 12, 2003).

¹⁵⁸ For example, Pakistan’s state television network reported that Indian troops had “martyred 1,675 innocent Kashmiris” in 2004, including 104 women and children (“Kashmir Deaths by Indian Troops in 2004 Put at 1,675 - Pakistan TV,” BBC Monitoring South Asia, Jan. 1, 2005). The U.S. Department of State and international human rights groups have issued reports critical of human rights abuses in Indian-controlled Kashmir.

India-Pakistan relations.¹⁵⁹ According to the U.S. government, several anti-India militant groups fighting in Kashmir are based in Pakistan and are closely linked to Islamist groups there. Many also are said to maintain ties with international jihadi organizations, including Al Qaeda:

- Harakat ul-Mujahideen (an FTO-designate), based in Muzaffarabad (Azad Kashmir) and Rawalpindi, is aligned with the Jamiat Ulema-i-Islam Fazlur Rehman party (JUI-F), itself a main constituent of the MMA Islamist coalition in Pakistan's National Assembly;
- Hizbul Mujahideen (on the State Department's list of "other selected terrorist organizations"), believed to have bases in Pakistan, is the militant wing of Pakistan's largest Islamic political party and leading MMA member, the Jamaat-i-Islami;
- Jaish-e-Mohammed (JeM) (an FTO-designate), based in both Peshawar and Muzaffarabad, also is aligned with JUI-F; and
- Lashkar-e-Taiba (LeT) (an FTO-designate), based in Muzaffarabad and near Lahore, is the armed wing of a Pakistan-based, anti-U.S. Sunni religious organization formed in 1989.¹⁶⁰

JeM claimed responsibility for an October 2001 suicide bomb attack on the Jammu and Kashmir state assembly building in Srinagar that killed 31 (it later denied the claim). In December 2001, the United States designated both LeT and JeM as Foreign Terrorist Organizations shortly after they were publically implicated by New Delhi for an attack on the Indian Parliament complex that killed nine and injured 18. This assault spurred India to fully mobilize its military along the India-Pakistan frontier. An ensuing 10-month-long standoff in 2002 involved one million Indian and Pakistani soldiers and was viewed as the closest the two countries had come to full-scale war since 1971, causing the U.S. government to become "deeply concerned ... that a conventional war ... could escalate into a nuclear confrontation."¹⁶¹

Pakistan's powerful and largely autonomous ISI is widely believed to have provided significant support for militant Kashmiri separatists over the past decade and a half in what is perceived as a proxy war against India.¹⁶² In March 2003, the

¹⁵⁹ India-Pakistan Talks on "Terror," BBC News, Aug. 11, 2004.

¹⁶⁰ U.S. Department of State, *Country Reports on Terrorism 2004*, Apr. 2005. Among the State Department's "other selected terrorist organizations" active in Kashmir are the Al Badhr Mujahideen, the Harakat ul-Jihad-e-Islami (linked to both Al Qaeda and to the JUI-F, a major Pakistani Islamist political party), and the Jamiat ul-Mujahideen. All are said to have bases in Pakistan, and all are designated as terrorist organizations by the Indian government (Indian Ministry of Home Affairs, "The Prevention of Terrorism Act, 2002," available at [<http://mha.nic.in/poto-02.htm#schdule>]).

¹⁶¹ Statement of Director of Central Intelligence George Tenet Before the Senate Armed Services Committee, "Worldwide Threat: Converging Dangers in a Post-9/11 World," Mar. 19, 2002.

¹⁶² "Although Pakistan did not begin the [1989] uprising in Kashmir, the temptation to fan the flames was too great for Islamabad to resist. Using guerrilla warfare expertise gained during the Afghan war, Pakistan's ISI began to provide active backing for Kashmiri Muslim (continued...)"

chief of India's Defense Intelligence Agency reported providing the United States with "solid documentary proof" that 70 Islamic militant camps were operating in Pakistani Kashmir. In May 2003, the Indian defense minister claimed that about 3,000 "terrorists" were being trained in camps on the Pakistani side of the Line of Control (LOC). Some Indian officials have suggested that Al Qaeda may be active in Kashmir.¹⁶³ Then-U.S. Deputy Secretary of State Armitage reportedly received a June 2002 pledge from Pakistani President Musharraf that all "cross-border terrorism" would cease, followed by a May 2003 pledge that any terrorist training camps in Pakistani-controlled areas would be closed. Yet, in September 2003, Indian PM Vajpayee reportedly told President Bush that continued cross-border terrorism from Pakistan was making it difficult for India to maintain its peace initiative, and a series of bloody attacks seemed to indicate that infiltration rates were on the rise.¹⁶⁴

President Musharraf adamantly insists that his government is doing all it can to stem infiltration at the LOC and he has called for a joint Pakistan-India monitoring effort there. Positive signs have come with a November 2003 cease-fire agreement between Pakistan and India along the entire LOC and their shared international border (holding at the time of this writing) and a January 2004 pledge by Musharraf reassuring the Indian Prime Minister that no territory under Pakistan's control could be used to support terrorism. Ensuing statements from Indian government officials confirmed that infiltration rates were down significantly. However, separatist-related violence spiked in Indian Kashmir in the summer of 2004, with shootouts and bombings causing scores of deaths. While on a July 2004 visit to New Delhi to meet with top Indian leaders, then-Deputy Secretary of State Armitage told reporters that "the infrastructure [in Pakistan] that supports cross-border activities [in Kashmir] has not been dismantled." Still, by year's end, the Indian government acknowledged that infiltration rates were at their lowest ebb in many years, perhaps partly due to the

¹⁶² (...continued)

insurgents" (Dennis Kux, *The United States and Pakistan 1947-2000: Disenchanted Allies*, Woodrow Wilson Center Press, 2001, p. 305). Many Indian analysts emphasize evidence of a direct link between Pakistan-sponsored militancy in Kashmir and the wider assortment of radical Islamic groups active in Pakistan after 2001, with one going so far as to call Lashkar-e-Taiba a "wholly owned subsidiary of the ISI" (Indrani Bagchi, "Beyond Control," *India Today* (New Delhi), Dec. 8, 2003). In June 2005, several credible Kashmiri and Pakistani parties accused current Pakistani Information Minister Rashid of operating a training camp for Kashmiri separatist militants during the 1980s (B. Muralidhar Reddy, "Troublesome Links," *Frontline* (Madras), July 15, 2005).

¹⁶³ "India Says It Has Given Proof of 70 Islamic Militant Camps in Pakistan-Controlled Kashmir," Associated Press, Mar. 14, 2003; "3,000 'Terrorists' Being Trained in Pakistani Kashmir: India," Agence France Presse, July 30, 2003. In October 2003, the Indian Chief of Army Staff raised the possibility of an Al Qaeda presence, as "most of the terrorists killed in [Jammu and Kashmir] are foreign nationals these days" ("Al Qaeda Presence Not Ruled Out in J&K," *Hindu* (Madras), Oct. 12, 2003).

¹⁶⁴ Chidanand Rajghatta, "Cross-Border Terror Continues, Vajpayee Tells Bush," *Times of India* (Delhi), Sep. 25, 2003; Scott Baldauf, "Insurgents Push Into Kashmir," *Christian Science Monitor*, Oct. 7, 2003.

completion of fence structures along the entire LOC.¹⁶⁵ New Delhi has confirmed that “the level of violence and tension in Jammu and Kashmir in 2004 was significantly lower as compared to 2003.”¹⁶⁶

Despite waning rates of infiltration, the issue continues to rankle leaders in New Delhi and remains a serious potential impediment to progress in the current India-Pakistan peace initiative. In August 2004, India’s ruling Congress Party claimed that Pakistan continues to support ongoing “cross-border terrorism” in Kashmir (Pakistan’s outgoing prime minister rejected the claims). In September, former Indian Prime Minister Vajpayee said that President Musharraf was not fulfilling his January 2004 pledge to end the use of Pakistani territory by terrorist groups and, just before meeting Musharraf in New York, current Indian Prime Minister Singh said that India would continue talks with Pakistan “provided that the threat by terrorist elements can be kept under control.” India’s foreign minister issued an even stronger statement of the same demand in October. In May 2005, in a somewhat anomalous departure from the milder rhetoric associated with improved India-Pakistan relations, the Indian prime minister again chided Pakistan for doing too little to dismantle the “terrorist infrastructure” on Pakistani-controlled territory.¹⁶⁷ Even as the normalization of India-Pakistan relations continues — and to some extent in reaction to their apparent marginalization in the face of such developments — separatist militants continue their attacks on both civilians and Indian security forces, and some in India believe that active support for Kashmiri militants remains Pakistani policy. In August 2005, India’s national security advisor expressed concern that terrorist attacks by or on behalf of Kashmiri separatists were showing a “much higher level of sophistication” and were taking place in many areas of India beyond Kashmir.¹⁶⁸

Indigenous Indian-Designated Terrorist Groups

Northeastern Separatism. Since the time of India’s foundation, numerous separatist groups have fought for ethnic autonomy or independence in the country’s

¹⁶⁵ “Armitage Finds Pakistan-India Relations Improving,” U.S. Department of State Washington File, July 15, 2004; “Infiltration on LoC Down 90 Percent: Army Chief,” Indo-Asian News Service, Jan. 15, 2005; “LOC Fencing Complete: Mukherjee,” *Times of India* (Delhi), Dec. 16, 2004; “Infiltration Has Come Down, Says Pranab,” *Hindu* (Madras), Feb. 8, 2005.

¹⁶⁶ The Home Ministry reported only 707 “incidents” in 2004, as compared to 3,041 in 2003. The numbers of civilians killed in 2004 (707), however, was nearly the great as in 2003 (795) (Government of India, *Ministry of Home Affairs Annual Report 2004-05*).

¹⁶⁷ “Pakistan Hasn’t Ended Cross-Border Terror: Congress,” *Hindustan Times* (Delhi), Aug. 22, 2004; “Vajpayee Says Musharraf Backtracking on Promise,” Press Trust of India, Sep. 8, 2004; “India to Pursue Talks With Pakistan If Terrorism ‘Under Control,’” Agence France Presse, Sep. 20, 2004; “India Says Peace Talks ‘Dependent’ On Pakistan Reining In Kashmir Rebels,” Agence France Presse, Oct. 9, 2004; “Indian Leader Says Pakistan Must Do More to Rein in Extremists,” *Washington Post*, May 31, 2005.

¹⁶⁸ “Militants Defy India-Pakistan Detente,” *Jane’s Security & Terrorism Monitor*, May 18, 2005; Saurabh Shukla, “Back on the Terror Trail,” *India Today* (Delhi), Feb. 7, 2005; Raj Chengappa, “‘Our Bomb Program is Untouched’” (interview), *India Today* (Delhi), Aug. 15, 2005.

northeast region. Some of the tribal struggles in the small states known as the Seven Sisters are centuries old. The United States does not designate as terrorist organizations most of those groups that continue violent separatist struggles in India's northeastern states. Many of these groups have, however, been implicated in lethal attacks on civilians and have been designated as terrorist organizations by New Delhi under the 2002 Prevention of Terrorism Act (POTA).¹⁶⁹ More than 6,000 people, one-third of them insurgents, are estimated to have been killed since 1992 in related violence in the states of Nagaland, Assam, Manipur, and Tripura.¹⁷⁰ Among the dozens of insurgent groups active in the northeast are:

- the United Liberation Front of Assam (ULFA);¹⁷¹
- the Nationalist Social Council of Nagaland;
- the National Liberation Front of Tripura;
- the National Democratic Front of Bodoland (NDFB); and
- the United National Liberation Front (seeking an independent Manipur).

The Indian government has at times blamed Bangladesh, Burma, Nepal, and Bhutan for “sheltering” one or more of these groups beyond the reach of Indian security forces, and it has accused Pakistan's intelligence agency of training members and providing them with material support.¹⁷² In December 2003, after considerable prodding by New Delhi, Bhutan launched military operations against ULFA and NDFB rebels based in border areas near India's Assam state. The leader and founder of ULFA was captured and, two months later, India's army chief declared that nearly 1,000 militants in Bhutan had been “neutralized” — killed or captured.¹⁷³ Yet the rebels appeared to regroup and attacks on civilians did not end: in August 2004, a bomb exploded at an Independence Day parade in Assam, killing 18 people, many

¹⁶⁹ See Indian Ministry of Home Affairs, “The Prevention of Terrorism Act, 2002,” available at [<http://mha.nic.in/poto-02.htm#schedule>]. In September 2004, New Delhi's new Congress-led government repealed the controversial POTA in response to widespread allegations of human rights abuses, although the status of designated organizations was unchanged. Another controversial law, the Armed Forces Special Powers Act, has come under fire for facilitating “grave human rights violations” (“POTA Repealed, Law Amended to Fight Terrorism,” *Hindustan Times* (Delhi), Sep. 18, 2004; Amnesty International, “India: Briefing on the Armed Forces Special Powers Act, 1958,” May 9, 2005).

¹⁷⁰ “Conflict Rages in India's Northeast,” *Jane's Terrorism & Security Monitor*, Apr. 13, 2005.

¹⁷¹ In April 2005, ULFA appeared on the U.S. Department of State's list of “other selected terrorist organizations,” the first time an Indian separatist group outside of Kashmir was so designated.

¹⁷² “Northeast Carnage Blamed on Terror Bases Across Borders,” *Hindustan Times* (Delhi), Oct. 6, 2004; “ISI Has Shifted Militant Camps to Bangladesh: BSF DG,” Press Trust of India, Sep. 14, 2004; Mahendra Ved, “Center Suspects ISI Hand in N-E Blasts,” *Times of India* (Delhi), Oct. 8, 2004; “Buddhadeb Alleges ISI Activities on Eastern Border,” *Hindu* (Madras), Dec. 24, 2004.

¹⁷³ Wasbir Hussain, “Going for the Kill,” *Outlook India* (Delhi), Dec. 22, 2003; Nirmal Banerjee, “N-Proliferation From Pak Dangerous: Vij,” *Times of India* (Delhi), Feb. 5, 2004; “Screws Tighten on Indian Rebels,” BBC News, Jan. 2, 2004.

of them children. Police blamed ULFA for the blast. Six weeks later, a spate of bombings and shootings in Assam and Nagaland left at least 83 people dead in what was called a joint operation by ULFA and NDFB. Although two senior ULFA leaders surrendered in February 2005, the rebels later launched a series of coordinated bomb attacks across the Assam state. In a further sign that Assamese rebels remain a serious problem, 2,000 Indian security forces moved against ULFA positions in April 2005.¹⁷⁴ Both Burma and Bangladesh may increase pressure on Indian rebels based on their territory; New Delhi has suggested coordinated military operations in the border areas and has increased its counterterrorism cooperation with Kathmandu and Thimphu.¹⁷⁵

Maoist Militancy. Also operating in India are “Naxalites” — communist insurgents ostensibly engaged in violent struggle on behalf of landless laborers and tribals. These groups, most active in inland areas of east-central India, claim to be battling oppression and exploitation in order to create a classless society. Their opponents call them terrorists and extortionists. According to the U.S. Department of State, major Naxalite groups are enlarging the scope of their influence, and analysts contend that the abilities of Indian Maoist militants to conduct insurgency has spread to nearly half of India’s 28 states, in part through the forging of cross-border links with Nepali insurgents.¹⁷⁶ As the Naxalites’ range of operations has increased, so too has related bloodshed. Most notable of India’s Maoist groups are the People’s War Group (PWG), mainly active in the southern Andhra Pradesh state, and the Maoist Communist Center of West Bengal and Bihar. In September 2004, the two merged to form the Communist Party of India - Maoist. In 2004, for the first time and without public explanation, these groups appeared on the U.S. State Department’s list of “other terrorist groups” (it is likely that the move was spurred by a U.S. interest in assisting both New Delhi and Kathmandu in efforts to combat Maoist insurgents in Nepal¹⁷⁷). Both also are designated as terrorist groups by New Delhi; each is believed to have about 2,000 cadres. PWG fighters were behind an

¹⁷⁴ Robert Karinol, “Rebels Look to Re-Establish Base in Bhutan,” *Jane’s Security & Terrorism Monitor*, Sep. 15, 2004; “Bomb Kills Many Indians at Parade,” BBC News, Aug. 15, 2004; “Ten Killed in Fresh Assam Attack,” BBC News, Oct. 5, 2004; “Assam Separatist Chiefs Surrender,” BBC News, Feb. 28, 2005; “United Liberation Front of Assam Rebels,” *Jane’s Terrorism & Security Monitor*, Mar. 16, 2005; “India Moves Against Assam Rebels,” BBC News, Apr. 2005.

¹⁷⁵ “India Ready for Joint Operations: Manmohan,” *Hindu* (Madras), Oct. 27, 2004; “India, Nepal Agree to Step Up Anti-Terror Cooperation,” BBC Monitoring South Asia, Sep. 12, 2004; “India Offers Bhutan Security Assistance,” Press Trust of India, Oct. 12, 2004; “India’s Counterinsurgent Policy,” *Jane’s Foreign Report*, Apr. 28, 2005.

¹⁷⁶ U.S. Department of State, *Country Reports on Terrorism 2004*, Apr. 2005, p. 115; Rahul Bedi, “Cross-Border Links Strengthen India’s Insurgent Groups,” *Jane’s Intelligence Review*, Nov. 1, 2004. See also Sanjay Jha, “The Grassroots Terror,” *Outlook India* (Delhi), Jan. 17, 2005.

¹⁷⁷ Interview with U.S. State Department official, May 2004.

October 2003 landmine attack that nearly killed the Chief Minister of Andhra Pradesh.¹⁷⁸

In July 2004, the government of Andhra Pradesh lifted an 11-year-old ban on the PWG in preparation for planned peace talks. A September 2004 rally in Hyderabad, the PWG's first since 1990, attracted tens of thousands of supporters. Yet the concord was short-lived: in January 2005, the Maoists accused the state government of breaking a cease-fire by "staging" several encounters that left 15 people dead and they withdrew from negotiations.¹⁷⁹ The U.S. Ambassador to India later expressed concerns about Naxalite violence in Andhra Pradesh and the impact it might have on foreign investors in the state, and at least one Indian commentator has opined that the scale and growth of Naxalite violence "is a direct challenge to [India's] vaunting pretensions to superpower status, and its ambitious quest for dramatic economic growth and inclusion in the elite club of the world's 'developed countries.'" In August, just days after suspected Maoist rebels shot dead ten civilians, the Andhra Pradesh government formally banned the Communist Party of India - Maoist.¹⁸⁰

India-U.S. Counterterrorism Cooperation

One facet of the emerging "strategic partnership" between the United States and India is increased counterterrorism cooperation. The U.S.-India Joint Working Group on Counterterrorism was established in January 2000 to intensify bilateral cooperation; this body met for the sixth time in August 2004. In November 2001, President Bush and then-Indian Prime Minister Vajpayee agreed that "terrorism threatens not only the security of the United States and India, but also our efforts to build freedom, democracy and international security and stability around the world."¹⁸¹ In May 2002, India and the United States launched the Indo-US Cyber Security Forum to safeguard critical infrastructures from cyber attack. The State Department believes that continued engagement with New Delhi will lead to India's playing a constructive role in resolving terrorist insurgencies in Nepal and Sri Lanka. Calling New Delhi a "close ally of the United States in the global war on terrorism," the Bush Administration has undertaken to provide India with better border security systems and training, and better intelligence in an effort to prevent future terrorist attacks. Moreover, the two countries' militaries have continued to work together to

¹⁷⁸ See "The 14 Spokes of a Revolution," *Outlook India* (Delhi), Oct. 20, 2003; "India: Terrorist Groups," South Asia Terrorism Portal, available at [<http://www.satp.org/satporgtp/countries/india/terroristoutfits/index.html>].

¹⁷⁹ Omer Farooq, "Indian State Lifts Bans on Rebel Group," Associated Press, July 21, 2004; "Huge Turnout for Indian Maoists," BBC News, Sep. 29, 2004; "India Rebels Abandon Peace Talks," BBC News, Jan. 17, 2005.

¹⁸⁰ "Indo-US Ties at All-Time High: David Mulford," *Economic Times* (Delhi), Jan. 29, 2005; Ajai Sahni, "Red Alert," *Outlook India* (Delhi), Feb. 1, 2005. See also Prafulla Das, "A Naxalite Corridor," *Frontline* (Madras), July 15, 2005; "Indian State Ban on Maoist Group," BBC News, Aug. 18, 2005..

¹⁸¹ "Joint Statement of U.S., India on Terrorism, Bilateral Ties," U.S. Department of State Washington File, Nov. 9, 2001.

enhance their capabilities to combat terrorism and increase interoperability.¹⁸² U.S. military sales to India are to include \$29 million worth of equipment meant to enhance the counterterrorism capabilities of India's special forces, and India may also purchase chemical and biological protection equipment.¹⁸³

The seating of a new left-leaning national government in New Delhi in May 2004 had no significant effect on continued U.S.-India security ties. A sixth meeting of the bilateral Defense Policy Group in June ended with a joint statement that recognized "growing areas of convergence on fundamental values," including combating terrorism. Shortly after, while on a visit to New Delhi to meet with top Indian leaders, then-U.S. Deputy Secretary of State Armitage told reporters that the new Indian government appeared to be just as desirous of enhanced U.S.-India relations as the previous one and that the United States has "absolute confidence that the U.S.-India relationship is going to grow in all its aspects."¹⁸⁴ President Bush met with new Indian Prime Minister Manmohan Singh in New York in September 2004 and noted the U.S.-India relations are as close as they have ever been. Secretary of State Rice and the Indian external affairs minister separately have echoed the sentiment in 2005.¹⁸⁵ In June 2005, the United States and India signed a ten-year defense framework agreement which lists "defeating terrorism and violent religious extremism" as one of four key shared security interests, and which calls for a bolstering of mutual defense capabilities required for such a goal.¹⁸⁶

Other South Asian Countries

Bangladesh¹⁸⁷

Bangladesh's political and economic development continues to be hampered by the forces of corruption, radicalism, and partisan fighting. Rivalry between the leaders of the nation's two largest political parties has led to an ongoing series of

¹⁸² U.S. Department of State, Bureau of Resource Management, "FY2004 Performance Plan," Mar. 2003. Assistant Secretary of State Christina Rocca, "U.S., Regional Governments Cooperating Against South Asian Terrorism," U.S. Department of State Washington File, Oct. 29, 2003; U.S. Department of Defense, Office of the Press Secretary, "Joint Statement on U.S.-India Defense Policy Group," Aug. 8, 2003.

¹⁸³ "U.S. Recognizes India as a 'Natural Trading Partner,'" U.S. Department of State Washington File, Aug. 24, 2004.

¹⁸⁴ "Indo-US Defense Policy Group Meeting Concludes," Indian Ministry of Defense Press Release, June 3, 2004; "U.S.-India Ties Remain Strong with Congress Party Government," U.S. Department of State Washington File, July 14, 2004.

¹⁸⁵ "Bush, Indian Prime Minister Singh Hold First Meeting," U.S. Department of State Washington File, Sep. 21, 2004; Secretary of State Condoleezza Rice, "Remarks En Route to India," U.S. Department of State Washington File, Mar. 15, 2005; "Press Conference by External Affairs Minister Natwar Singh," Embassy of India Press Release, Apr. 15, 2005.

¹⁸⁶ "New Framework for the U.S.-India Defense Relationship," June 28, 2005, available at [http://www.indianembassy.org/press_release/2005/June/31.htm].

¹⁸⁷ This section written by (name redacted), Analyst in Southeast and South Asian Affairs.

demonstrations, strikes, and increasingly to politically motivated violence. The frustration caused by the combination of poverty, corruption, and the lack of good governance due to a stalemated political process is thought by some to contribute to increasing radicalization of society and thereby to the recruitment of Islamist radicals to the cause of terrorism.

Bangladesh's form of moderate Islam is increasingly under threat by radical elements. In early 2005 there was increased concern over the rise of Islamic extremism in Bangladesh. Khaleda Zia's Bangladesh National Party (BNP) has coalition partners in government that are thought to have ties to radical Islamist elements that give cause for concern. Some view the government's coalition with hardline Islamist coalition members as promoting the spread of violence.¹⁸⁸ The radical Harkat-ul-Jihad-al-Islami (HuJI) is thought to have ties to both Al Qaeda and the Islamic Oikya Jote, which is a coalition partner in the government. HuJI is on the United States State Department list of other terrorist organizations and is thought to have been behind an assassination attempt on then Prime Minister Sheikh Hasina in July 2000.¹⁸⁹ HuJI also signed the 1998 fatwa by Usama bin Laden which declared American civilians to be legitimate targets.¹⁹⁰

Fundamentalist leader Bangla Bhai, who promotes Islamic revolution in Bangladesh, has been accused of having ties to the Jamaat-e-Islami (JI) which is another coalition partner with the BNP government. Bangla Bhai fought in Afghanistan and is thought to seek to install a Taliban-style government in Bangladesh particularly in areas bordering India. His supporters have reportedly terrorized communists, leftists, liberal intellectuals, Hindus, Christians, members of the Islamic Ahmadiyya sect and Buddhists in the cause of promoting Islamic extremism.¹⁹¹ The government of Bangladesh was criticized by the Awami league for denying the existence of fundamentalist organizations in Bangladesh. The Bangladesh government banned Bangla Bhai's organization in 2005.¹⁹²

Political infighting is debilitating to Bangladesh. Former Prime Minister Sheikh Hasina of the Awami League survived an assassination attempt in August 2004 when a grenade was thrown at her which killed 20 others. Hasina has accused the BNP-Jamaat alliance of being involved in the assassination attempt.¹⁹³ Prime Minister Khaleda Zia has reportedly stated that there are no Islamic fundamentalists in Bangladesh.¹⁹⁴ Such attacks have undermined political stability in Bangladesh. A

¹⁸⁸ Testimony by Dr. Christine Fair, Human Rights Watch, Congressional Human Rights Caucus Hearing on Bangladesh, May 24, 2005.

¹⁸⁹ State Department, *Patterns of Global Terrorism 2002*, Apr. 2003, p. 133.

¹⁹⁰ United States Department of State, *Country Reports on Terrorism, 2004*, Apr. 2005.

¹⁹¹ Eliza Griswold, "The Next Islamist Revolution?," *The New York Times Magazine*, Jan. 23, 2005.

¹⁹² "Jalil-OPM," *United News of Bangladesh*, Feb. 25, 2005.

¹⁹³ "Hasina-Departure," *United News of Bangladesh*, Mar. 7, 2005.

¹⁹⁴ "Khleda Denies Existence of Islamic Fundamentalists in Bangladesh," *Press Trust of* (continued...)

recent government of India report has found an “alarming rise” in political assassinations in Bangladesh and is also concerned with the smuggling of arms to insurgents in India’s northeast as well as the rise of Islamic fundamentalism in Bangladesh.¹⁹⁵

Former State Department Coordinator for Counterterrorism Cofer Black reportedly stated that he was concerned over “the potential utilization of Bangladesh as a platform for international terrorism” when visiting Dhaka in September 2004.¹⁹⁶ Media reports in India increasingly are concerned that Bangladesh has the potential to become a “center of extremist Wahhabi-oriented terrorism.”¹⁹⁷ Harkat-ul-Jihad-al-Islami (HuJI) reportedly sent a letter to the Indian High Commission to Bangladesh in December 2004 threatening to kill the Indian cricket team if they entered Bangladesh. The team planned to play a series of test matches in Bangladesh in December including in the Chittagong region.¹⁹⁸ One source reported in September that the number of radical mosques and madrassas in the Chittagong Hill Tracts (CHT) region of Bangladesh had grown considerably and that HuJI continued to maintain several terrorist training camps in the CHT region.¹⁹⁹ Another source also linked the camps to Harkat and indicated that they receive funding from Islamic charities with ties to Al-Qaeda.²⁰⁰ HuJI is thought to remain active in the area south from Chittagong to Cox’s Bazar and the border with Burma. A report sourced to a former senior Indian intelligence official alleges that HuJI is training Burmese Rohingya, as well as small groups from Thailand, Cambodia, Indonesia and Brunei.²⁰¹

There is concern among analysts that Bangladesh might serve as a base from which both South and Southeast Asian terrorists could regroup. There have been reports that up to 150 Taliban and Al Qaeda fighters fled to Bangladesh from Afghanistan in December 2001 aboard the *MV Mecca*, which reportedly sailed from Karachi to Chittagong.²⁰² This was evidently not the beginning of Al Qaeda connections with Bangladesh. Al Qaeda had reportedly recruited Burmese Muslims, known as the Rohingya, from refugee camps in southeastern Bangladesh to fight in Afghanistan, Kashmir and Chechnya.²⁰³ An Al Qaeda affiliate, Harkat-ul-Jihad-al-

¹⁹⁴ (...continued)

India, Mar. 16, 2005.

¹⁹⁵ “Alarming Rise in Assassinations in Bangladesh,” *Agence France Presse*, May 13, 2005.

¹⁹⁶ Dan Morrison, “Terror on the Rise in Bangladesh,” *Newsday*, Nov. 23, 2004.

¹⁹⁷ G. Parthasarathy, “In a Disturbed Neighborhood,” *Business Line* (The Hindu), Sep. 24, 2004.

¹⁹⁸ “Terror Threat Delays Indian Tour Opener,” *The Daily Telegraph*, Dec. 9, 2004.

¹⁹⁹ Anirban Roy, “Qaeda Fuels HuJI Run in Bangladesh,” *Hindustan Times*, Dec. 9, 2004.

²⁰⁰ Dan Morrison, “Terror on the Rise in Bangladesh,” *Newsday*, Nov. 23, 2004.

²⁰¹ Shefali Rekhi, “Clerics’ Call to Terror,” *The Straits Times*, Oct. 21, 2004.

²⁰² Alex Perry, “Deadly Cargo,” *Time Asia*, Oct. 21, 2003.

²⁰³ Zachary Abuza, *Militant Islam in Southeast Asia*, (Boulder: Lynne Rienner Publishers, (continued...))

Islami (HuJI) was founded by Osama bin Laden associate Fazlul Rahman.²⁰⁴ HuJI is also on the State Department's list of other terrorist organizations.²⁰⁵ Rahman joined bin Laden's World Islamic Front for the Jihad Against the Jews and the Crusaders in 1998.²⁰⁶ It has the objective of establishing Islamic rule in Bangladesh. HuJI has recruited its members, thought to number from several thousand to 15,000, from the tens of thousands of madrassas in Bangladesh, many of which are led by veterans of the "jihad" against the Soviets in Afghanistan. The organization is thought to have at least six camps in Bangladesh as well as ties to militants in Pakistan.²⁰⁷ The Bangladesh National Party coalition government includes the small Islamic Oikya Jote party which has connections to HuJI.²⁰⁸ It was reported that French intelligence prompted the arrest of 16 Bangladeshis on December 4, 2003, in Bolivia for allegedly planning to hijack a plane to attack the United States. According to reports, they were later released for lack of evidence. Eleven Bangladeshis were arrested in Saudi Arabia on August 14, 2003, on suspicion of planning a terrorist act.²⁰⁹

The Rohingya Solidarity Organization (RSO) is the largest organization representing the over 120,000 Rohingyas in Bangladesh.²¹⁰ The number of Rohingyas varies depending on the level of pressure they are under in their homelands in Burma. The Rohingya also speak the same language as Bangladeshis from the Chittagong area. These "destitute and stateless people" have proved to be a "fertile ground" for recruitment to various militant Islamist groups.²¹¹ The RSO has reportedly received support from the Jamaat-e-Islami in Bangladesh. Afghan instructors are reported to have been seen in RSO camps.

There are also reports, based on information derived from the interrogation of Jemaah Islamiya (JI) leader Hambali, who was arrested in Thailand in August 2003, that indicate that he had made a decision to shift JI elements to Bangladesh in response to recent counter-terrorist activity in Southeast Asia. The decision to move

²⁰³ (...continued)
2003), p. 174.

²⁰⁴ Zachary Abuza, *Militant Islam in Southeast Asia*, (Boulder: Lynne Rienner Publishers, 2003), p. 174.

²⁰⁵ *Patterns of Global Terrorism 2002*, United States Department of State, Office of the Coordinator of Counter-terrorism, Apr. 2003.

²⁰⁶ Rohan Gunaratna, *Inside Al Qaeda* (New York: Berkeley Books, 2003), p.60.

²⁰⁷ *Patterns of Global Terrorism, 2002*, United States Department of State, Office of the Coordinator of Counter-terrorism, Apr. 2003, p.133-4.

²⁰⁸ Bertil Lintner, "Bangladesh: Breeding Ground for Muslim Terror," [http://www.atimes.com]. See also Bertil Lintner, "Religious Extremism and Nationalism in Bangladesh," Paper presented at the Center for Security Studies, Honolulu, Aug. 19, 2002.

²⁰⁹ Anand Kumar, "Bangladesh Weak Link in War on Terror," *The Straits Times*, Dec. 16, 2003.

²¹⁰ Bertil Lintner, "Bangladesh: Breeding Ground for Muslim Terror," [http://www.atimes.com]

²¹¹ *Ibid.*

operations west may also be evident in the arrest of 13 Malaysians and six Indonesians, including Hambali's brother Rusman Gunawan, in Pakistan in September 2003. Bangladeshis have been among those arrested in Pakistan on suspicion of being linked to terrorist organizations.²¹² Some have speculated that JI militants, thought to be from Malaysia and Singapore, would not have made it to southeastern Bangladesh without some degree of tacit agreement from the Directorate General of Forces Intelligence of Bangladesh which is thought, by some, to have close ties with ISI.²¹³ It is also thought that Fazlul Rahman's Rohingya Solidarity Organization, which is based in southeast Bangladesh, has also established ties with JI.²¹⁴ These reports are difficult to confirm.

The Government of Bangladesh has denied that Bangladesh has become a haven for Islamic militants, such as the Taliban or Al Qaeda.²¹⁵ The Bangladesh government has also denied allegations made by former Indian Deputy Prime Minister Advani that Bangladesh had aided Pakistan's Inter-Services Intelligence and Al Qaeda elements.²¹⁶ It has also been reported that the Bangladesh Rifles and police have captured weapons during anti-terrorist operations in the southeastern border region with Burma in August and September 2003.²¹⁷ (For further information on Bangladesh, see CRS Report RS20489, *Bangladesh: Background and U.S. Relations*, by (name redacted).)

Nepal²¹⁸

The Communist Party of Nepal (Maoist)/ United Peoples Front has been identified as an Other Terrorist Group by the U.S. Department of State.²¹⁹ On October 31, 2003, the United States Government went further and announced that for national security reasons it was freezing Maoist terrorist assets. The security situation in Nepal has deteriorated since the collapse of the cease fire between the Maoists and the government on August 27, 2003. The numbers of Nepalese killed since August has risen significantly. This brings the total number killed since 1996 to 11,500 by some estimates. India remains concerned over linkages between the Maoists and leftist extremists in India.²²⁰

²¹² "Pakistan Nabs Six More Terror Suspects," *Xinhua News Agency*, Sep. 26, 2003.

²¹³ Bertil Lintner, "Bangladesh: Celebrations and Bombs," [http://www.atimes.com]

²¹⁴ Statement of Dr. Zachary Abuza, House International Relations Subcommittee on International Terrorism, Non-proliferation and Human Rights, Oct. 29, 2003.

²¹⁵ "Bangladesh Calls Time Article on Militant Fictitious," *Associated Press*, Oct. 16, 2002.

²¹⁶ "India's Remarks on Bangladesh Aiding Terrorists Rejected," *Xinhua News Agency*, Nov. 8, 2002.

²¹⁷ "Bangladesh Country Report," *Economist Intelligence Unit*, Oct., 2003.

²¹⁸ This section written by (name redacted), Analyst in Southeast and South Asian Affairs.

²¹⁹ *Patterns of Global Terrorism*, United States Department of State, Office of the Coordinator of Counter-Terrorism, Apr. 2003.

²²⁰ "New CRPF Unit to Fight Naxals Likely," *Business Standard*, Nov. 5, 2003.

The Maoists' message frequently calls for the end of "American imperialism" and for the "dirty Yankee" to "go home." The Maoists' Chief Negotiator and Chairman of the "People's Government," Baburam Bhattarai, reportedly threatened the United States with "another Vietnam" if the United States expands its aid to Nepal.²²¹ In September, Bhattarai sent a letter to the U.S. Ambassador in Kathmandu which called on the United States to stop "interfering" in the internal affairs of Nepal.²²² Maoists claimed responsibility for killing two off-duty Nepalese security guards at the American Embassy in 2002,²²³ and the Maoists have made it known that American trekkers are not welcome in Maoist-controlled Nepal.²²⁴ Further, the Maoists stated on October 22nd that American-backed organizations would be targeted. Rebel leader Prachanda is reported to have stated that groups funded by "American imperialists" would not be allowed to operate in Nepal.²²⁵

After the cease fire, the Maoists appeared to be shifting from large-scale attacks on police and army headquarters to adopting new tactics that focused on attacks by smaller cells conducting widespread assassinations of military, police and party officials.²²⁶ The unpopularity of this policy appears to have led the Maoists to shift policy again and declare that they would not carry out further political killings or further destroy government infrastructure. Despite this guarantee, attacks continue. In May 2005, Maoist commander in the Parsa District threatened attacks against Americans and American interests.²²⁷ The Maoists' guarantee against terrorist attacks did not extend to projects "run directly by the United States."²²⁸ The United States Agency for International Development and Save the Children both operate in Nepal. On October 27, Maoist leader Prachanda stated that "we will ensure that no American citizens — tourists or officials — except those who come to the battlefield with the Nepal Army would be caused any harm by the Maoist militia."²²⁹ (For further details on the Maoists and Nepal, see CRS Report RL31599, *Nepal: Background and U.S. Relations*, by (name redacted).)

²²¹ Thomas Bell, "Maoist Army Wins Hearts and Minds in West Nepal," *The Globe and Mail*, Sep. 18, 2003.

²²² Binaj Gurubacharya, "Maoist Rebel Leader Asks U.S., China, India to Stop Interfering in Nepal," *Associated Press*, Sep. 25, 2003.

²²³ Binaj Gurubacharya, "Nepal Rebels Threaten U.S.-Funded Groups," *Associated Press*, Oct., 22, 2003.

²²⁴ Amy Waldman, "Chance for Peace Fades in Nepal as Deaths Rise," *The New York Times*, Oct. 13, 2003.

²²⁵ Binaj Gurubacharya, "Nepal Rebels Threaten U.S.-Funded Groups," *Associated Press*, Oct. 22, 2003.

²²⁶ "Nepal: Back to the Gun," *International Crisis Group*, Oct. 22, 2003.

²²⁷ "Maoist Commander Threatening Attacks Against Americans," Warden Message, *Overseas Security Advisory Council*, May 25, 2005.

²²⁸ Kedar Man Singh, "Nepal's Maoist Rebels Say They Will Not Carry Out Political Killings," *Agence France Presse*, Oct. 22, 2003.

²²⁹ Kedar Man Singh, "Nepal Maoists Say Americans Safe," *Agence France Presse*, Oct. 27, 2003.

Sri Lanka²³⁰

The United States Department of State continues to designate the Liberation Tigers of Tamil Eelam (LTTE) as a Foreign Terrorist Organization in 2005. More than 64,000 people are thought to have died during this conflict over the last 20 years and the LTTE has consistently been one of the most effective and active users of suicide-bomber tactics in the world. In addition, some analysts claim to have observed or heard of efforts by the LTTE recently to establish an air capability by the acquisition of two Cessna-class light aircraft. If true, this represents a worrisome event, as the LTTE's past history shows a penchant for adapting other means of transportation such as cars, motorbikes, and naval craft for suicide bomb attacks and it is not far-fetched to assume that the same could be done with these aircraft. The Black Tigers unit, the elite special-operations cadre of the LTTE, are those charged with carrying out such terrorist operations and it could be appropriate to watch for signs that these cadre members are receiving flight training to further verify any new air capabilities.

A Norwegian-brokered peace process has produced notable successes, though it was suspended by the LTTE in the spring of 2003 due to differences over interim administration arrangements. In February 2002, a permanent cease-fire was reached and generally has been observed by both sides. In September 2002, the government in Colombo and the LTTE held their first peace talks in seven years, with the LTTE indicating that it was willing to accept autonomy rather than independence for Tamil-majority regions. The two sides agreed in principle to seek a solution through a federal structure. However, LTTE leader Prabakaran has stated that there may be a return to fighting. The period from 2004 to early 2005 has witnessed increasing instability within the ranks of both the Sinhalese government and the LTTE which has led to increasing concern over the future of the peace process. In June of 2005, Christina Rocca, the Assistant Secretary for South Asian Affairs, told a House International Relations Committee panel that

the United States continues to support Norway's facilitation of a peace settlement in Sri Lanka. The cease-fire of 2002 is holding, although violence is ongoing and the peace process has stalled. This is due in part to divisions within the Sri Lankan government and the absence of trust between the government and the LTTE, which continues to use assassinations and suicide bombers, underscoring their character as an organization wedded to terrorism and justifying their designation as a Foreign Terrorist Organization.²³¹

The LTTE has also, of late, experienced instability and intra-factional disagreements. In March 2004 there was a major rupture within the LTTE ranks. Vinayagamoorthis Muralitharan, alias Col. Karuna (who, as Special Commander, Batticaloa-Amparai District, was in over-all charge of the LTTE's military operations in the Eastern Province) split with the Northern command of the LTTE headed by the supreme commander of the LTTE (Velupillai Prabhakaran) and took an estimated

²³⁰ This section written by Severn Anderson, Analyst in Asian Affairs.

²³¹ "House International Relations Subcommittee on Asia and the Pacific Holds Hearing on United States and South Asia," FDCH Transcripts, June 14, 2005.

6,000 soldiers with him. Col. Karuna then called for a separate truce with the government. Factional fighting ensued between Karuna's splinter group and the Northern faction of the LTTE and resulted in Prabhakaran's reassertion of control over the eastern areas which Karuna had previously operated.

Since that time there have been numerous instances of political and military operatives being killed by each side as they jockey for power in the East. The LTTE has accused Col. Karuna and those loyal to him of cooperating with Sri Lankan Army (SLA) paramilitaries and special forces in raids and targeted killings of forces under their command, which the SLA denies. Karuna has since withdrawn to a fortified base in the jungles of eastern Sri Lanka where they have repelled several LTTE attacks.²³² Between February and April 2005 there were several recorded instances of serious violations of the ceasefire. First was the death of a high level LTTE political officer, E. Kousalyane, in early February which was followed by an increase in politically motivated killings of individuals throughout the eastern provinces.²³³ In early April there was also a much publicized incident when a Sea Tiger unit attacked a Sri Lankan Navy vessel carrying a peace monitor, slightly wounding him. This led to a formal censure of the LTTE by the ceasefire monitoring group, the Sri Lanka Monitoring Mission (SLMM), and marked a particularly brazen attack as the Sri Lankan Navy vessel was flying the SLMM flag indicating that monitors were abroad.²³⁴

²³² *PTI News Agency*, New Delhi, Mar. 21, 2005.

²³³ V.S. Sambandan, "Batticaloa LTTE Leader Killed," *Hindu* (Madras), Feb. 7, 2005.

²³⁴ "Tamil Tiger 'Breached Ceasefire'," *BBC News*, Apr. 8, 2005

Figure 2. Map of South Asia

Adapted by CRS from Magellan Geographix. Boundary representations not authoritative.

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