

Report for Congress

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Pakistan-U.S. Anti-Terrorism Cooperation

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Summary

Pakistan is a key front-line ally in the U.S.-led anti-terrorism coalition. After September 2001, Pakistani President Musharraf ended his government's ties with the Taliban regime of Afghanistan and has since cooperated with and contributed to U.S. efforts to track and capture remnants of Al Qaeda and Taliban forces that have sought refuge inside Pakistani territory. Pakistan's cooperation has been called "crucial" to past and ongoing U.S. successes in the region, but there is growing concern that the bilateral relationship is fragile and may be undermined by potentially disruptive developments in the areas of weapons proliferation, democracy-building, and Pakistan-India relations.

Remaining proliferation- and democracy-related aid restrictions on Pakistan were removed in the final months of 2001, and the United States continues to make large aid donations to Pakistan and to support that country's interests in negotiations with international financial institutions. There are concerns that October 2002 national elections in Pakistan were not sufficiently free and open by Western standards and that the military-dominated government in Islamabad intends to remain in power through manipulation of constitutional and democratic processes. This possibility led some Members of the 107th Congress to seek the renewal of aid restrictions or a modification of the President's waiver authority until such time that a more robust democratic process is sustained and a civilian-led government effectively is in place. There also is concern that possibly growing anti-American sentiment in Pakistan and the potential "re-Talibanization" of that country's western provinces bordering Afghanistan could adversely affect U.S. interests in the region.

During 2002, the United States took an increasingly direct, if low-profile, role in both law enforcement and military operations being conducted on Pakistani territory. These operations have led to favorable results in tracking and apprehending dangerous Islamic militants, but the activities of U.S. personnel in the country have led to increasing signs of anti-American backlash and Pakistani sovereignty concerns. Recent electoral gains by a coalition of Pakistani Islamist political parties are viewed as an expression of such sentiments that may lead to reduced Pakistan-U.S. cooperation in counterterrorism operations in the future. The civilian Parliament and Prime Minister that were seated in Islamabad in November 2002 may powerfully influence the course and scope of future U.S. presence in the region.

This report reviews the status of Pakistan-U.S. anti-terrorism cooperation in the areas of law enforcement, intelligence, and military operations. U.S. arms transfers to and security cooperation with Pakistan are also discussed. A following section addresses the major domestic repercussions of Pakistan-U.S. counterterrorism efforts, the ways in which such efforts are perceived by newly-empowered Pakistan Islamists and their followers, and the possible effects these dynamics may have on future Pakistan-U.S. cooperation in this realm. The final section assesses the overall status of Pakistan-U.S. anti-terrorism cooperation and key points of U.S. concern. Broader discussion of bilateral relations and relevant legislation is found in IB94041, *Pakistan-U.S. Relations*. This report will be updated periodically.

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Pakistan-U.S. Anti-Terrorism Cooperation

Congressional Interest

Pakistan is a key front-line ally in the U.S.-led anti-terrorism coalition, and the Bush Administration has expressed satisfaction with ongoing Pakistan-U.S. cooperation in this area.¹ Top U.S. government officials regularly praise Pakistan and its leadership for their “fine efforts” in joint counterterrorism operations, most recently with the capture of suspected Al Qaeda leader Khalid Mohammed in the Pakistani city of Rawalpindi on March 1, 2003. Yet the bilateral relationship has come under significant strain in recent months due to signs of growing U.S. frustration with the continued existence of Islamic militants both along the Afghan-Pakistani border and infiltrating into Indian-held Kashmir; doubts about the commitment of Pakistan’s intelligence service to Islamabad’s stated anti-terrorism policies; widespread anti-American sentiment in Pakistan; reports of alleged Pakistani nuclear proliferation activities; continued perceived anti-democratic practices in Islamabad; new U.S. immigration regulations; and continued antagonistic relations between Islamabad and New Delhi.

One senior observer reports that U.S. frustration with Islamabad grew alarmingly high in the latter months of 2002.² At the same time, suspicion of and resentment toward the United States is reported to be spreading rapidly throughout Pakistani society.³ A sense of the difficulties faced in pursuing U.S. policies in Pakistan’s conservative Muslim western regions can be found in the March 2003 assertion by the spokesman for Pakistan’s largest Islamist party that captured alleged Al Qaeda leader Khalid Mohammed is a “hero of Islam” and that there is “no reason to believe that Al Qaeda really exists.” Many Pakistanis reportedly believe that

¹ Ari Fleischer, “Transcript: White House Daily Briefing,” USIS Washington File, March 3, 2003; Richard Boucher, “Transcript: State Department Noon Briefing,” USIS Washington File, March 3, 2003; Assistant Secretary of State for South Asia Rocca, “Transcript: Hearing of the Subcommittee on Asia and the Pacific of the House International Relations Committee,” Federal News Service, March 20, 2003.

² Ahmed Rashid, “U.S. Grows Frustrated With Pakistan Coalition,” *Wall Street Journal*, December 2, 2002. A February 2003 editorial in the *Washington Post* decried the “steady unraveling of commitments by Pakistan’s president ... to support the United States in the war on terrorism,” and ended by asserting that “the Bush Administration must reconsider whether its attenuated alliance with the general is worth the growing cost” (“Out of Pakistan,” *Washington Post*, February 25, 2003).

³ David Rohde, “Anti-American Feeling Rises in Pakistan as U.S. Confronts Iraq,” *New York Times*, December 22, 2002. A public opinion poll released in December 2002 indicates that only 10% of Pakistanis hold a “favorable view” of the United States (Pew Center for Research, “What the World Thinks In 2002,” December 4, 2002. Online at [http://people-press.org/reports/files/report165.pdf]).

September 2001 terrorist attacks on the United States were a ploy by Israel designed to cause anti-Muslim backlash.⁴ For several years, analysts have discussed the potential dangers to Pakistan and its people's civil liberties represented by increased Islamization there.⁵ There are newer concerns that U.S. military action in Iraq may fuel Islamic radicalism in Pakistan; March 2003 witnessed anti-U.S./anti-war marches in Karachi, Lahore, and other cities organized by Islamist political parties and involving as many as 250,000 demonstrators at a time.⁶

107th Congress

After the September 2001 terrorist attacks on the United States, a previously poor bilateral relationship with Pakistan was quickly improved. On September 22, 2001, President Bush lifted all remaining nuclear proliferation-related sanctions on Pakistan (and India). The Congress then passed, and the President signed into law, S. 1465 (P.L. 107-57) in October 2001. With this law, Congress exempted Pakistan from all sanctions related to democracy and debt-arrearage for FY2002, and granted the President authority to waive such sanctions through FY2003. Presidential Determination 2003-16 exercised this authority for FY2003 on March 14, 2003.

Members of the 107th Congress introduced several Pakistan-related bills that were not voted upon, including one that would authorize the President to reduce or suspend duties on Pakistani textiles (S. 1675); one that would repeal the President's authority to waive economic sanctions and end assistance to Pakistan as a country whose elected head of government was deposed by military coup (H.R. 5150); and one that would require Presidential certification of Pakistan's successful efforts to halt cross-border terrorism into India, that the country's national elections are conducted freely and fairly, and that waivers on aid restrictions would facilitate both U.S. anti-terror efforts and the transition to democratic rule in Pakistan (H.R. 5267).

During the final months of 2002, in response to reports alleging Pakistani assistance to North Korea's covert nuclear weapons program, a Member of Congress urged reinstatement of proliferation-related aid restrictions pursuant to P.L. 106-79, Title IX. A similar call was taken up in another Member's February 2003 request that the Bush Administration take "immediate steps" to ban all military sales to Pakistan and reimpose proliferation-related sanctions under §669 of the Foreign Assistance Act of 1961 (the Symington Amendment). However, in March 2003, the Bush Administration announced that it had "carefully reviewed the facts relating to

⁴ Erik Eckholm, "Qaeda Operative is 'Hero' to Some in Pakistan," *New York Times*, March 5, 2003.

⁵ See, for example, Jessica Stern, "Pakistan's Jihad Culture," *Foreign Affairs*, November 2000; "Pakistan: The Mullahs and the Military," International Crisis Group Asia Report 49, March 20, 2003.

⁶ Edward Luce and Farhan Bokhari, "US Invasion Pushes Pakistanis Toward Islam," *Financial Times* (London), March 27, 2003; "Pakistan Heads Anti-War Protests," BBC News, March 2, 2003; Jalilur Rehman, "200,000 Gather in Anti-US March in Pakistan," Agence France-Presse, March 23, 2003.

the possible transfer of nuclear technology from Pakistan to North Korea and decided that they do not warrant the imposition of sanctions under applicable U.S. laws.”⁷

108th Congress

Members of the 108th Congress may confront more proliferation- and democracy-related aid issues with regard to Pakistan, as questions about Islamabad’s possible nuclear technology transfers and about levels of democratic governance in Pakistan continue to surface.⁸ Pakistan’s enthusiastic desire to purchase U.S.-made weapons is likely to be an area of continuing congressional interest. Trade-related legislation may again arise, especially in the area of textile duties.⁹ U.S. assistance to Pakistan rose steeply after September 2001, from about \$10 million in FY2001 to more than \$1 billion in FY2002. P.L. 108-7 includes authorization for Pakistan to use \$188 million in FY2003 Economic Support Funds to cancel approximately \$1 billion in concessional debt to the U.S. government. The Bush Administration is requesting bilateral assistance to Pakistan in the amounts of \$305 million for FY2003 and \$395 million for FY2004.¹⁰

Background

Prior to the September 2001 terror attacks on the United States, and especially after Islamabad’s 1998 nuclear tests and 1999 military coup, U.S. relations with Pakistan had become marked by discord and distance. After the attacks, and under intense diplomatic pressure, Pakistani President Gen. Pervez Musharraf made a swift decision to end his government’s support for the Taliban regime in Afghanistan and join the U.S.-led anti-terrorism coalition. The United States and Pakistan now share pressing interests in the region. These chiefly are related to ending Islamic militancy

⁷ House International Relations Committee member Rep. Gary Ackerman, “Letter to President Bush,” November 7, 2002; House International Relations Committee member Rep. Frank Pallone, Jr., “Letter to Secretary of State Powell,” February 11, 2003; Assistant Secretary of State for Legislative Affairs Paul Kelly, “Letter to Sen. Daschle,” March 12, 2003.

⁸ On March 20, 2003, Rep. Frank Pallone introduced H.R. 1403 to remove the democracy-related sanctions exemption with respect to Pakistan (i.e., to repeal the President’s waiver authority that was exercised in early March). In February 2003 testimony before the House International Relations Committee, Secretary of State Powell indicated that the Administration has been “reviewing all of the various sanctions legislation that has been in existence for a number of years” and would seek to extend the President’s waiver authority on democracy-related and other aid restrictions for FY2003 and FY2004.

⁹ During a February 2003 visit to the United States, the Pakistani Foreign Minister Kasuri requested greater access to U.S. markets as a means of reducing poverty and thus also the forces of extremism in Pakistan. He made a direct link between poverty and the continued existence of Islamic schools (madrassas) that are implicated in teaching militant anti-American values (“Pakistan: ‘A Front-Line Ally’ on Terrorism,” *Los Angeles Times*, February 2, 2003).

¹⁰ These amounts include \$49.5 million in Foreign Military Financing (FMF) already allocated for FY2003 and \$75 million in FMF requested for FY2004.

that continues to wreak terror and destruction in South Asia and elsewhere, and that poses a threat to the continued existence of moderate government in a nuclear-armed Pakistan.

The policy reversal by Musharraf took place without the full support of the country's Islamic citizens or its military and intelligence organizations. Islamabad subsequently has asked the United States for military equipment, aid, and other forms of security cooperation to both assist in the anti-terror campaign and in an effort to maintain balance with India's conventional forces. Within Pakistan, however, a negative political reaction is fueling anti-government and anti-American sentiment that may jeopardize longer-term U.S. interests in the region.

A further complication is that the massive U.S. bombardment of Afghanistan's Tora Bora region in late-2001 and Operation Anaconda in Afghanistan's eastern Shah-i-Kot mountains in March 2002 apparently prompted two waves of up to 5,000 Al Qaeda fighters fleeing into Pakistan.¹¹ Press reports indicate that Pakistan has been allowing the United States to conduct low-level military or military support operations in Pakistan's western border regions since April 2002.¹² U.S. efforts to pursue counterterror operations in Pakistan are complicated by alleged assistance given to the Taliban, Al Qaeda, and indigenous Pakistani terrorist groups by elements of Pakistan's powerful Inter-Services Intelligence agency (ISI).¹³ Anti-terrorism operations may meet further obstacles if recently bolstered Pakistani Islamist political parties succeed in exerting their anti-American influences on the country's foreign policy orientation.

The United States continues to make large aid donations to Pakistan and to support that country's interests in negotiations with international financial institutions. President Bush and Secretary of State Powell commonly refer to the Islamabad regime as a "crucial ally." Yet there are concerns that 2002 national elections in Pakistan were not sufficiently free and open by Western standards and that the military-dominated government in Islamabad intends to remain in power through manipulation of constitutional and democratic processes. This possibility has led some Members of Congress to seek the renewal of aid restrictions until such

¹¹ Tim McGirk, "Al Qaeda's New Hideouts," *Time*, July 29, 2002. At least one subsequent report claimed that most or all of these Al Qaeda fighters were evacuated from the area by Pakistani military aircraft and in the company of "dozens of senior Pakistani military, including two generals" (Seymour Hersh, "Transcript: Jane Wallace Talks With Seymour Hersh," *Now With Bill Moyers*, Public Broadcasting Service, February 21, 2003, available at [http://www.pbs.org/now/transcript/transcript_hersh.html]).

¹² See, for example, Dexter Filkins, "F.B.I. and Military Unite in Pakistan to Hunt Al Qaeda," *New York Times*, July 14, 2002; Erik Eckholm, "F.B.I. Active in Pakistan, But Profile is Low," *New York Times*, March 4, 2003.

¹³ See, for example, David Sands, "India Says Pakistan Aids Ousted Extremists," *Washington Times*, January 4, 2002; Gretchen Peters, "Al Qaeda-Pakistani Ties Deepen," *Christian Science Monitor*, March 6, 2003. The Indian government accuses the ISI of fomenting terrorism in Kashmir, as well as in Bangladesh, Nepal, and Indian urban centers (Sayantan Chakravarty, "Terror's Hidden Face," *India Today* (New Delhi), November 11, 2002).

time that a more robust democratic process is sustained and a civilian-led government is effectively in place.¹⁴

At the same time, the very democratic process encouraged by the United States may bring to power Islamist political groups that do not share some key U.S. interests and concerns. There is also possibly growing anti-American sentiment in Pakistan, and the potential “re-Talibanization” of that country’s western provinces bordering Afghanistan could lead to a reduction of Pakistan-U.S. cooperation in counterterrorism efforts, thereby harming U.S. interests in the region.¹⁵ Some Islamist members of Pakistan’s national assembly have warned U.S. forces to stay out of areas near the border with Afghanistan, and the provincial government of one such region recently dropped the criminal charges that had been brought against hundreds of Pakistani citizens for taking part in anti-U.S. demonstrations last year.¹⁶

It was reported that, following Pakistan’s October 2002 elections and the ascension of an Islamist coalition there, U.S. officials presented to the Islamabad government three policy priorities: 1) a preference that the Islamists not be included in the ruling national coalition; 2) that provincial governments being run by Islamist politicians not be allowed to interfere with ongoing anti-terror operations involving U.S. personnel; and 3) that the basic understanding between the United States and Pakistan – agreed to between Secretary of State Powell and President Musharraf on September 14, 2001, and guaranteeing full Pakistani cooperation with the U.S.-led anti-terror campaign – “must continue unhindered.”¹⁷

This report reviews the current status of Pakistan-U.S. anti-terrorism cooperation in the areas of law enforcement, intelligence, and military operations. U.S. arms transfers to and security cooperation with Pakistan are also discussed. A following section addresses the major domestic repercussions of Pakistan-U.S. counterterrorism efforts, the ways in which such efforts are perceived by newly-empowered Pakistan Islamists and their followers, and the possible effects these dynamics may have on future Pakistan-U.S. cooperation in this realm. The final section assesses the overall status of Pakistan-U.S. anti-terrorism cooperation and key points of U.S. concern.

Law Enforcement and Intelligence Cooperation

Pakistan historically has demonstrated inconsistency in its efforts to reign in Islamic militants operating inside its borders. The United States has long been aware

¹⁴ For a review of sanctions issues, see CRS Report RS20995, *India and Pakistan: Current U.S. Sanctions*, by Dianne Rennack.

¹⁵ See also CRS Issue Brief IB94041, *Pakistan-U.S. Relations*, and CRS Report RS21299, *Pakistan’s Domestic Political Developments: Issues for Congress*, by (name redacted).

¹⁶ “Pakistan Tribal Belt MPs Denounce US-Led Al Qaeda Hunt,” Agence France-Presse, December 3, 2002; Riaz Khan, “Charges Dropped for Activists in Pakistan,” *Washington Post*, December 4, 2002.

¹⁷ “Pakistan’s Islamists Raise US Fears,” *Jane’s Intelligence Digest*, December 13, 2002.

of the existence of outlawed groups both in Pakistan-held Kashmir and within Pakistani cities. The government of neighboring India continues to call Pakistan the “epicenter of global terrorism.” 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 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].” The official pointed to the role played by Islamic religious schools, or madrassas, some of which “inculcate extremism and a violent anti-Americanism in their students.”¹⁸

Pakistan’s tolerance of and support for hardline Islamists in both the country and the region has been rooted in ethnic Pashtun ties that cross the Afghani-Pakistani border and in former President Gen. Zia ul-Haq’s moves to strengthen Islamists during the 1980s. President Musharraf’s sweeping policy shift away from Islamic extremism began with the severing of all official ties to the Taliban in September 2001 and culminated in a landmark January 2002 speech in which he vowed to end Pakistan’s use as a base for terrorism of any kind, criticized religious extremism and intolerance in the country, and banned numerous militant groups, including Lashkar-e-Taiba and Jaish-e-Muhammad (both blamed for terrorist violence in Kashmir and India).¹⁹ The Islamabad government also instituted sweeping police reforms,

¹⁸ Ambassador Michael Sheehan, “Testimony on Counterterrorism and South Asia,” USIS Public Diplomacy Query, July 12, 2000. Pakistan continues to be plagued with domestic terrorism. The February 2002 kidnaping and murder of *Wall Street Journal* reporter Daniel Pearl is believed to have spurred an increased U.S. effort to track and assist in apprehending indigenous Pakistani terrorists. Each of the following terrorist attacks took place in the sprawling port city of Karachi: In May, a car bomb killed 14 people, including 11 French defense technicians. A June car bombing outside the U.S. consulate killed 12 Pakistani nationals. Two lethal terror attacks on Christian schools in Pakistan in August increased concerns that anti-Western violence would escalate. In September, 7 Pakistani Christians were murdered execution-style at a charity office. In October and November, parcel bombs sent to police stations severely injured 10. In December, a bomb at the Macedonian consulate killed three. In February 2003, a bomb killed one man outside the offices of Pakistan’s state oil company and a barrage of automatic weapons fire at a Shiite mosque left 9 worshippers dead and another 9 wounded. Later in the month, gunmen shot and killed two Pakistani police officers outside the U.S. consulate; another five officers and a bystander were wounded. In a move praised by the U.S. government, Pakistan in January 2003 assigned 650 police officers to a new Diplomatic Protection Department created to reassure foreign nationals in the wake of terrorist attacks in 2002 (Munir Ahmad, “Pakistan Deploys Diplomatic Security Unit,” *Washington Post*, January 14, 2003).

¹⁹ Shortly after the December 2001 terrorist attack on the Indian Parliament, Secretary of State Powell designated the Pakistan-based Lashkar-e-Taiba and Jaish-e-Mohammed groups as Foreign Terrorist Organizations under U.S. law. Both the U.S. and Indian governments repeatedly have indicated that these groups have been involved in numerous terrorist attacks in an effort to “undermine peace and stability in South Asia and destroy relations between India and Pakistan” (“Designation of Foreign Terrorist Organizations,” U.S. Department of State Press Release, December 26, 2001). In January 2003, the United States added to the FTO list the Pakistan-based Lashkar-i-Jhangvi – a group held responsible for “numerous deadly attacks in Pakistan,” including the January 2002 kidnaping and murder of *Wall Street*

upgraded its immigration control system, and began work on new anti-terrorist finance laws. In the wake of the speech, about 3,300 extremists were arrested and detained, though at least one-third of these have since been released, including the founders of both Lashkar-e-Taiba and Jaish-e-Muhammad.²⁰

American military successes in Afghanistan in the final months of 2001 apparently ended the existence of Al Qaeda as a coherent entity in that country. Yet the first half of 2002 saw increasing indications that the group – along with its Taliban cohorts – was making progress in regrouping, first in the tribal western regions of Pakistan and later in major urban centers. By late-2002, intelligence analysts believed that Al Qaeda had established a new base of operations in the sprawling city of Karachi, Pakistan's most populous. In early-2003, President Musharraf shifted his previous stance and opined that Osama bin Laden himself may be in Pakistan.²¹

In response, U.S. law enforcement agencies, led by the F.B.I., began in early 2002 to provide active assistance to Pakistan in its effort to hunt terrorists and their allies. The number of U.S. counterterrorism agents in Pakistan has been reported at between "several dozen" and "the low hundreds."²² While U.S. officials claim that the involvement of American agents in field operations and raids has been quite limited, senior Pakistani officials have indicated that F.B.I. agents participated in numerous raids, where they "carry guns" and "help us break down doors."²³ Yet a spokesman for the Pakistan Foreign Office stated in April 2002 that there exist "no independent F.B.I. offices in Pakistan," and Pakistan's interior minister repeatedly has claimed that F.B.I. operatives are not involved in hunting Al Qaeda supporters in Pakistan.²⁴

Director of Central Intelligence Tenet is reported to have made at least one trip to Pakistan after September 2001, and the Islamabad government is said to be cooperating with the C.I.A. in the ongoing hunt for Osama bin Laden, Mullah Omar, and other top-level Islamic militant fugitives.²⁵ There have been some concerns

Journal reporter Daniel Pearl.

²⁰ Paul Watson, "Revolving Doors for Pakistan's Militants," *Los Angeles Times*, November 17, 2002; "Musharraf Says Heads of Two Extremist Groups Did Nothing Illegal," *Agence France-Presse*, March 2, 2003; "Militant Suspects Freed in Pakistan," *BBC News*, January 31, 2003.

²¹ David Rohde, "Qaeda Uses Teeming Karachi as New Base, Pakistanis Say," *New York Times*, November 1, 2002; Steve LeVine, "Musharraf Now Says Bin Laden may Be in Pakistan," *Wall Street Journal*, March 24, 2003.

²² Paul Watson and Josh Meyer, "Pakistanis See FBI in Shadows," *Los Angeles Times*, August 25, 2002.

²³ Dexter Filkins, "F.B.I. and Military Unite in Pakistan to Hunt Al Qaeda," *New York Times*, July 14, 2002.

²⁴ "Pakistan Denies Osama's Presence in Faisalabad," *Pakistan Press International*, April 8, 2002; "FBI Not Involved in Raids: Faisal," *Dawn* (Karachi), December 31, 2002.

²⁵ Peter Baker and Kamran Khan, "Pakistan to Forgo Charges Against 2 Nuclear Scientists; Ties to Bin Laden Suspected," *Washington Post*, January 30, 2002.

raised that U.S. counterterrorism agents, by working in tandem with Pakistani security organizations that have been accused of human rights abuses including extralegal deportation and torture, may share responsibility for any such abuses that may be occurring.²⁶ December 2002 press reports suggest that “stress and duress” techniques used by the C.I.A. to interrogate suspected Al Qaeda and Taliban members may be abusing human rights. New York-based Human Rights Watch has written a letter to President Bush calling for an investigation into what the rights group alleges may be the use of torture by U.S. officials.²⁷

The February 2002 kidnaping and subsequent murder of *Wall Street Journal* reporter Daniel Pearl is believed to have spurred an intensified U.S. focus on law enforcement in Pakistan and efforts to assist local security forces in tracking and capturing Islamic militants in that country’s urban centers. Al Qaeda is believed by U.S. officials to have assisted Pakistani militants in carrying out two deadly car bombings in the spring of 2002: a May attack that killed 14, including 11 French military technicians, and a June explosion that killed 12 Pakistani nationals outside the American consulate in Karachi. Al Qaeda links also are suspected in numerous other violent anti-Western and anti-Christian attacks in Pakistan.²⁸

On May 8, 2002, senior U.S. government officials from several executive-branch agencies hosted the first meeting of the U.S.-Pakistan Joint Working Group on Counterterrorism and Law Enforcement. Pakistan’s Minister of Interior, Moin Haider, led the Pakistani delegation. The two governments discussed a broad range of bilateral law enforcement issues, including counternarcotics, counterterrorism, extradition, money laundering, trafficking in persons, demand reduction and drug abuse control, alternative development and poppy eradication, police and legal system reform, and issues related to the repatriation of Pakistani nationals detained in the United States in connection with immigration proceedings.²⁹ The two governments agreed to strengthen their cooperation in each of these areas, and ensuing trips to Pakistan by Deputy Secretary of State Armitage and Coordinator for Counterterrorism Taylor marked a continuation of this process. Officials from the U.S. Departments of State and Justice met with Pakistani counterparts in Islamabad in September 2002, and another full meeting of the U.S.-Pakistan Joint Working Group on Counterterrorism and Law Enforcement is slated to take place in Washington in April 2003.³⁰

In November 2002, then-U.S. Treasury Secretary O’Neill met with top officials in Islamabad to discuss Pakistan’s ongoing efforts to halt terrorist financing. He

²⁶ Paul Watson and Josh Meyer, “Pakistanis See FBI in Shadows,” *Los Angeles Times*, August 25, 2002.

²⁷ Alan Cooperman, “CIA Interrogation Under Fire; Human Rights Groups Say Techniques Could Be Torture,” *Washington Post*, December 28, 2002.

²⁸ See, for example, “Militants’ Lair Raided, 12 Arrested in Pakistan,” *Chicago Tribune*, August 29, 2002.

²⁹ U.S. Department of State Press Release, “U.S.-Pakistan Joint Working Group on Counterterrorism and Law Enforcement,” May 8, 2002.

³⁰ Telephonic interview with U.S. State Department official, March 24, 2003.

stated that Pakistan was “leading the world” in the fight to eradicate money-laundering, but some officials are more pessimistic.³¹ Islamabad has taken action against at least 185 of the 247 U.S.-designated entities operating on Pakistani territory, and has taken its own initiative to detain operatives and designate active groups suspected of financing terrorist activities. Yet Pakistan’s legal and regulatory structures remain insufficient for a fully effective anti-terrorism financing regime, especially with an inability to monitor the activities of foreign charities, and the newly seated Assembly has yet to enact a proposed money laundering bill. U.S. officials continue to encourage stricter oversight and regulation, and the United States has agreed to provide technical assistance and training to Pakistani customs and finance officials as part of this effort.³²

Notable Projects Underway

Supplemental FY2002 U.S. aid to Pakistan included \$73 million in International Narcotics and Law Enforcement (INCLE) Emergency Response Funds that continue to be used in FY2003 for border security and related law enforcement efforts.³³ The United States reportedly has supplied numerous instruments to bolster Pakistani security forces, including five used transport helicopters, 750 short- and long-range radios, and 434 vehicles (trucks, tractors, SUVs, and motorcycles) to increase mobility. During her December 2002 visit to Islamabad, Assistant Secretary of State for South Asia Rocca announced the provision to Pakistan of some 8,000 pieces of sophisticated communication and surveillance equipment worth more than \$4 million. The equipment is to be used in efforts to track down suspected terrorists and those involved in drug trafficking. Also, the United States is undertaking to train Pakistani police investigators and is helping to establish a national fingerprint database modeled on that of the F.B.I. In March 2003, the United States disbursed to Pakistan \$10 million for the Criminal Information Database, along with nearly \$20 million more for road-building projects in the Federally Administered Tribal Areas. The roads are expected to improve access for law enforcement and security personnel, as well as bolster the region’s economy.³⁴

³¹ “Pakistan Leading the World in Tackling Money-Laundering: US Treasury Chief,” Agence France-Presse, November 19, 2002; telephonic interview with U.S. Treasury Department official, March 21, 2003.

³² Carlotta Gall, “U.S. to Train Pakistanis to Help Bar Terrorist Funds,” *New York Times*, November 20, 2002.

³³ The Bush Administration is requesting another \$38 million in INCLE funds for FY2004 to further improve the effectiveness of Pakistan’s law enforcement efforts in the areas of border security and counternarcotics. Planned projects include a new forward operating location in Peshawar that will access the North West Frontier Province (NWFP), infrastructure enhancements such as road building, provision of forensic laboratory equipment, and myriad other support and assistance programs (see U.S. Department of State, “FY2004 Congressional Budget Justification for Foreign Operations,” February 13, 2003, available at [<http://www.state.gov/m/rm/rls/cbj/2004>]).

³⁴ Zaffar Abbas, “US Help for Pakistan Terror Fight,” BBC News, December 17, 2002; “Pakistan to Get \$30 Million From United States for Fighting Crime,” *Daily Times* (Lahore), March 13, 2003; telephonic interview with U.S. State Department official, March 25, 2003.

In what may become the most ambitious integrated national identification system ever installed, the United States reportedly is supplying to Pakistan the Personnel Identification Secure Comparison Evaluation System (PISCES). This computer software is said to make real-time comparisons of photographs and other personal details with the F.B.I. database in order to track the movements of Islamic militants. The ultimate aim is to monitor travelers entering or leaving Pakistan at all 18 major transit points. The system is reported to be in place at Karachi, Islamabad, and Lahore airports, and is expected to soon be operational at airports in Quetta and Peshawar, as well.³⁵

Key Arrests

It is through the provision of intelligence that American agents are reported to be making their greatest contributions to such operations as those noted below.³⁶ The interception and tracing of satellite telephone transmissions has been a key tool in joint U.S.-Pakistani efforts to capture fugitive Taliban and Al Qaeda forces in Pakistan. American agents also closely monitor email and other Internet traffic for signs of terrorist communications. The F.B.I. is reported to have trained and equipped a number of former Pakistani army officers and others in what is known as the "Spider Group," an informal intelligence-gathering unit that is especially focused on monitoring the activities of Pakistani Islamist groups.³⁷

U.S. government efforts to assist Pakistan with counterterrorism and law enforcement have produced many positive results. U.S. law enforcement personnel are reported to have played vital and direct, if low-profile roles in each of the following operations:³⁸

- In March 2002, Abu Zubaydah, believed to be Al Qaeda's field commander, was shot and captured while trying to flee a raid in the Pakistani city of Faisalabad. He is said to have provided abundant intelligence to American authorities. Also that month, an F.B.I. agent was asked by the Pakistan government to provide sworn testimony to help in the prosecution of Daniel Pearl's kidnappers. Finally, in the eastern cities of Faisalabad and Lahore, a major raid netted 26 suspected Al Qaeda and Taliban fugitives.
- In June, 8 suspected members of banned extremist organizations were captured in Lahore.

³⁵ "Passengers' Identity System Installed," *Dawn* (Karachi), November 11, 2002.

³⁶ See, for example, Aamir Ashraf, "Pakistan Caught Key Sept 11 Figure on Anniversary," Reuters News, September 14, 2002; "Top Al Qaeda Agent's Trail Heated Up After Routine Arrest," *New York Times*, March 2, 2003.

³⁷ Aamir Latif, "FBI Puts 'Spiders' to Work in Pakistan," *Washington Times*, November 27, 2002.

³⁸ Reports of captured Al Qaeda suspects and others are culled from numerous open sources.

- In July, 10 “Arab mujahideen” – alleged escapees from Kohat – were arrested in Hyderabad.
- In August, an office used by Harakat-ul-Mujahideen, a group linked to Al Qaeda, was raided, resulting in the arrest of 12 suspected militants and the seizure of explosives and other incriminating evidence.
- In September, Ramzi bin al-Shibh, said to be a key figure in the planning of the September 2001 terror attacks on the United States, and Sharif Ahmad, the most-wanted militant in Pakistan and alleged organizer of the June 2002 car bomb attack on the U.S. consulate in Karachi, were both apprehended. Later in the month, two Algerian nationals believed to be Al Qaeda members were arrested in Karachi, bringing to 10 the number of Algerians apprehended over a two-day period.
- In October, a raid on a refugee camp near Peshawar netted four suspected Al Qaeda operatives. Days later, a pre-dawn raid on another refugee camp led to the capture of five suspected militants wanted in connection with a spate of terror attacks on Pakistani Christians, as well as Khan Mohammad, said to be security chief for renegade Afghani warlord Gulbuddin Hekmatyar. Later in the month, FBI agents interrogated a physician who admitted to treating Osama bin Laden and collaborating with Al Qaeda in Afghanistan.
- In December, two tribesmen from Pakistan’s South Waziristan Agency were handed over to U.S. agents for interrogation for their alleged involvement in an attack on a U.S. military camp in Afghanistan. Later in the month, a joint raid by Pakistani police and F.B.I. agents netted 9 suspected Al Qaeda operatives, including two naturalized American citizens.
- In January 2003, Pakistani police and F.B.I. agents arrested three suspected Al Qaeda operatives after a gunfight on the outskirts of Karachi. Computers, grenades, and \$30,000 in U.S. currency were recovered. Among the nine suspects arrested in December was a Pakistani doctor, Ahmed Khawaja, who is named in January, and then charged along with his brother in February, as having provided material assistance to numerous Al Qaeda figures.
- On March 1, Khalid Mohammed, alleged mastermind of the September 2001 terrorist attacks and close associate of bin Laden, was arrested along with two cohorts in a pre-dawn raid in Rawalpindi. The efforts of U.S. communications specialists reportedly were key to locating the suspects. Seized at the scene were computer and communications equipment that are said to provide a “trove” of valuable data on Al Qaeda’s methods of operations, support networks, and finances. One week after, 10 Al Qaeda suspects were arrested in Peshawar, including one believed

to have had recent contact with Osama bin Laden. Later in March, police arrested alleged Al Qaeda financier and communications operative Yassir al-Jaziri in Lahore. This arrest appears to have provided leads resulting in the arrest of 6 more suspected Al Qaeda militants near Lahore and two in Peshawar on March 17.

The arrest of Khalid Mohammed in early March spurred heightened speculation that Osama bin Laden's capture was imminent. The White House called Mohammed's capture a "joint operation" between Pakistani and U.S. authorities and President Bush expressed his "deep appreciation and gratitude to President Musharraf and to the government of Pakistan" for their "fine efforts" in combating terrorism.³⁹ In the wake of the announced capture, rumors abounded that the ISI had known of Mohammed's whereabouts for weeks or even months before and that they may have staged the videotaped seizure that was shown to reporters.⁴⁰ In mid-March, Pakistan's intelligence agency claimed to have captured 442 foreign nationals suspected of terrorist activities and to have remanded 346 of these to U.S. custody (at least 36 have been transferred to other countries and more than 50 released without charge) since September 2001.⁴¹

Cooperation in Military Operations

Pakistan has served as a vital basing and transit point for Operation Enduring Freedom, the U.S.-led anti-terror mission in Afghanistan. According to the U.S. Department of Defense, Pakistan is providing basing and overflight permission for all United States and coalition forces engaged in Afghanistan. The airbase near Jacobabad has been vital to U.S. military operations in the region, and the airport of Dalbandin, near the Afghan border, is a key forward operational base. More than 57,000 U.S. military sorties have originated on Pakistani territory. U.S. military personnel reportedly have installed extensive radar facilities at three Pakistani airfields, allowing for coverage of the entire Pakistani airspace. Pakistan also deployed more than 115,000 regular and paramilitary troops along the tribal belt bordering Afghanistan and Iran in support of U.S.-led efforts to capture Taliban and Al Qaeda fugitives (many of the regular army troops were redeployed to the Pakistan-India border during a 10-month period of heightened tensions between Islamabad and

³⁹ "Text: U.S. Commends Detention of Mastermind Behind Sept. 11 Attacks," USIS Washington File, March 1, 2003; "Transcript: White House Daily Press Briefing," USIS Washington File, March 3, 2003.

⁴⁰ Farhan Bokhari and Mark Huband, "Warning Over Pakistan Extradition," *Financial Times* (London), March 4, 2003; Simon Denyer, "Pakistan Accused of Staging Bin Laden Aide Arrest," Reuters News, March 11, 2003.

⁴¹ Erik Eckholm, "Pakistan Reports on Leads From Qaeda Aide's Arrest," *New York Times*, March 11, 2003; "Pakistan Arrests More Suspects in Qaeda Hunt," Reuters News, March 17, 2003.

New Delhi from December 2001-October 2002). Some 45,000 Pakistani troops were reported to be actively supporting Operation Enduring Freedom as of October 2002.⁴²

Reports indicate that U.S. special operations soldiers and C.I.A. paramilitary agents participate in operations on Pakistani territory at the company-level (small teams of American specialists accompany much larger Pakistani units).⁴³ These reports are not confirmed by either Washington or Islamabad, as both governments make no official statements about such joint operations. The presence and activities of U.S. military personnel in Pakistan is a subject of great sensitivity in both capitals. Officially, there is only a handful of U.S. troops operating on Pakistani territory. In order to blend in with Pakistani military units, American special forces personnel are said to all be of medium-height, Pashto-speaking, and wearing Pakistani Army uniforms.⁴⁴

A July 2002 press report stated that more than 3,500 Al Qaeda operatives crossed into Pakistan while fleeing U.S. military operations in neighboring Afghanistan. There is continuing concern that these militants intend to establish a permanent presence in Pakistani cities.⁴⁵ In August, a U.S. military assessment estimated the presence of up to 1,000 Al Qaeda fighters in Pakistan, spurring the top officer of the U.S. Central Command, Gen. Tommy Franks, and Secretary of Defense Rumsfeld to suggest that the successful continuation of his Afghanistan mission would require expanding U.S. military operations into “neighboring countries.”⁴⁶ His statement was met with adamant Pakistani assertions that any U.S. troop presence on their territory is “out of the question” given the professed sufficiency of ongoing Pakistani security operations.⁴⁷ U.S. military operations in Afghanistan extremely close to the Pakistan border and employing thousands of troops have been ongoing.⁴⁸ In this mountainous region, the location of the international border is not always

⁴² U.S. Central Command, “International Contributions to the War on Terrorism: Pakistan.” Online at [http://www.centcom.mil/Operations/Coalition/Coalition_pages/pakistan.htm].

⁴³ See, for example, Susan Schmidt and Thomas Ricks, “Pentagon Plans Shift in War on Terror,” *Washington Post*, September 18, 2002; Douglas Waller, “The CIA’s Secret Army,” *Time*, February 3, 2003.

⁴⁴ Zahid Hussain, “Pakistan, U.S. Improve Ties in Antiterror Fight,” *Asian Wall Street Journal* (Hong Kong), September 23, 2002.

⁴⁵ Tim McGirk, “Al Qaeda’s New Hideouts,” *Time*, July 29, 2002.

⁴⁶ Chris Otton, “More Al Qaeda May Now Be in Pakistan Than Afghanistan,” Agence France-Presse, August 18, 2002; Secretary of Defense Donald Rumsfeld, “DoD News Brief – Secretary Rumsfeld and Gen. Franks,” August 15, 2002. Online at [http://www.defenselink.mil/news/Aug2002/t08152002_t0815sd.html].

⁴⁷ Hasan Akhtar, “Pakistan Rules Out US Troop Operation,” *Dawn* (Karachi), August 27, 2002.

⁴⁸ “US Combs Southeast Afghanistan; May Use Up To 2,000 Troops,” Dow Jones Newswire, October 2, 2002; “US Launches Major Al Qaeda Hunt,” BBC News, March 20, 2003.

clear, but there remain no confirmed open-source reports of large-scale American troop movements or aerial sorties in Pakistani territory.⁴⁹

Pakistani government officials have issued contradictory statements on the issue of Al Qaeda's presence in their country, but many have flatly denied that Al Qaeda forces have entered Pakistan in any but the smallest numbers. In September 2002, a senior Pakistani security official claimed that his forces had "broken the back" of Al Qaeda in the country,⁵⁰ but more recent pronouncements have been less assured: after acknowledging that Al Qaeda members are in hiding throughout the country, the chief of Karachi's police investigation department stated in December 2002 that Al Qaeda is "down, but not out" in Pakistan. It is estimated that up to 5,000 Al Qaeda and Taliban fighters are still on the loose in the North West Frontier Province (NWFP) alone.⁵¹

Press reports in early 2003 suggested that Al Qaeda and Taliban forces have regrouped on Pakistani territory near the Afghani border in preparation for spring offensive operations against U.S.-led coalition units in Afghanistan.⁵² More recently, however, the chairman of the Senate Intelligence Committee claimed that the March arrest of Khalid Mohammed likely would preclude any planned Al Qaeda offensive, and a U.S. military spokesman was quoted as saying he does not expect a spring offensive by Al Qaeda because he does not think there is "that much spring in them."⁵³

⁴⁹ In the first reported incident of its kind, a December 2002 statement by the U.S. Department of Defense indicated that a 500-pound bomb was dropped on a Pakistani border patrol position after U.S. troops came under fire. The incident led to a brief, but fiery debate over the alleged right of U.S. forces to engage in "hot pursuit" of adversaries who flee across the border from Afghanistan into Pakistan. Multiple reports indicated that the United States and Pakistan agreed to limited, low-profile pursuits, though Islamabad publically denied that U.S. forces are allowed to operate in Pakistan. One report claimed that a senior U.S. military commander held "secret talks" in Islamabad in a bid to avoid the repetition of any similar incidents in the future ("US Soldier Shot, Wounded by Pakistani Border Guard," Reuters News, December 31, 2002; Marc Kaufman, "U.S. Asserts Right to Enter Pakistan," *Washington Post*, January 4, 2003; Scott Baldauf, "US 'Hot Pursuit' Roils Pakistanis," *Christian Science Monitor*, January 6, 2003; Naqveed Ahmad, "US Not Assured of Quiet Hot Pursuit," *News International* (Karachi), January 7, 2003; "Foreign Troops Can't Operate in Pakistan: Kasuri," *Daily Times* (Lahore), January 17, 2003; "Pentagon Mends Fences in Pakistan," *Far Eastern Economic Review* (Hong Kong), January 23, 2003).

⁵⁰ Shamim-ur-Rahman, "422 Osama Men Handed Over to US," *Dawn* (Karachi), September 23, 2002.

⁵¹ Scott Baldauf, "Pakistan's Release of Islamic Militants Rattles India," *Christian Science Monitor*, December 16, 2002.

⁵² See, for example, Scott Baldauf, "Portrait of an Al Qaeda Camp," *Christian Science Monitor*, January 17, 2003.

⁵³ Don Van Natta, Jr., "Al Qaeda Hobbled by Latest Arrest," *New York Times*, March 3, 2003; "US Says Al Qaeda Failing to Regroup," *Daily Times* (Lahore), March 18, 2003.

Arms Sales and Security Cooperation

Arms Sales

Almost immediately upon joining the U.S.-led anti-terrorism coalition in September 2001, the Pakistani government sought compensation for its support, primarily through economic aid, debt forgiveness, and renewed access to sophisticated U.S. weaponry. The transfer to Pakistan of U.S. military equipment was ended in 1990 when then-President Bush could no longer certify that Pakistan was not pursuing a nuclear weapons program. U.S. economic sanctions triggered by Pakistan's May 1998 nuclear tests and October 1999 military coup were waived by President George W. Bush and new legislation in October 2001,⁵⁴ spurring Islamabad to present Washington with a "wish list" that was reported to have included a variety of missiles, artillery and rocket launching systems, unmanned aerial vehicles, and the release of previously purchased F-16 jets. An unnamed Pakistani defense ministry source was quoted as saying, "We want the kind of relationship the United States has with Egypt in terms of weapons sales."⁵⁵ In the lead-up to his January 2003 visit to the United States, Pakistani Foreign Minister Kasuri urged the United States to "take steps to reduce the conventional weapons disparity" between Pakistan and India as a means of halting a nuclear arms race in South Asia.⁵⁶

There have been numerous foreign press reports, along with Pakistani and Indian government officials' claims, that Islamabad has secured deals for the purchase of major U.S. weapons platforms, including F-16s fighter jets, P-3 maritime surveillance aircraft, and Harpoon anti-ship missiles. Yet, as of late March 2003, the Bush Administration has notified Congress of only two pending transfers: the first, dated July 16, 2002, involves seven used C-130E transport aircraft (one being for spare parts); the second, dated July 26, 2002, is for six Aerostats – sophisticated, balloon-mounted surveillance radars. These mark the first noteworthy arms sales to Pakistan in more than a decade and reportedly are intended to support Islamabad's ability both to move troops quickly and to detect infiltration (thus aiding in counterterror operations).

Pakistan lately has emphasized a perceived need to bolster its air forces, if not through acquisition of new F-16s then at least through the receipt of spare parts and weaponry for its existing fleet of 1970s-era F-16A fighters (many of which are grounded for want of maintenance and munitions).⁵⁷ While most of Pakistan's

⁵⁴ See CRS Report RS20995, *India and Pakistan: Current U.S. Sanctions* by Dianne Rennack. In October 2001, a State Department official pledged well over one billion dollars in U.S. assistance for Pakistan and several billion dollars from international organizations to help strengthen it as a key member of the U.S.-led anti-terrorism coalition.

⁵⁵ Quoted in Mohammed Abdullah, "Pakistan Seeks U.S. Weapons for Anti-Terror Partnership," *Defense Week*, October 22, 2001.

⁵⁶ Shaukat Piracha, "End Indo-Pak Arms Disparity, US Told," *Daily Times* (Lahore), January 15, 2003.

⁵⁷ In February 2003, U.S. Assistant Secretary of State for South Asia Rocca stated that the issue of F-16 sales to Pakistan is "not on the table now" (Nathan Hodge, "F-16s 'Not On the

arsenal is of Chinese origin, major U.S.-made weapons systems include P-3 Orion and C-130 Hercules aircraft, Harpoon and Stinger missiles, and 155mm howitzers. Past U.S.-imposed sanctions have caused many of these systems to become inoperable.⁵⁸

Security Cooperation

The long-moribund Pakistan-U.S. Defense Cooperation Group (DCG) – created to oversee a bilateral defense relationship that has existed since the 1950s – met in Pakistan in late September 2002. This was the first such meeting since 1997. The two-day session included discussions among working groups on military cooperation, security assistance, and anti-terrorism. A joint statement issued by the DCG reports that the meetings “served the purpose of providing a forum to exchange views on security matters and, in Pakistan’s case, share with the United States its views of its security environment.”⁵⁹

October 2002 saw the first joint U.S.-Pakistan military exercises in nearly five years, with approximately 120 soldiers from each country coming together in Pakistan for “Inspired Gambit III.” U.S. Central Commander Gen. Tommy Franks witnessed the event. As with recent joint U.S.-Indian military exercises, an emphasis was placed upon increasing interoperability in weapon systems and tactics.⁶⁰ Numerous Pakistani press reports in early 2003 claimed that further joint exercises were being planned, but these reports are not confirmed by the U.S. government. U.S. assistance to Pakistan under security-related programs includes \$396.5 million distributed in FY2002, \$56.5 million allocated for FY2003, and \$120 million requested for FY2004.⁶¹

As a current rotating member of the UN Security Council (UNSC), the Pakistani government faced a dilemma in addressing early-2003 discussions related to Iraq. Islamabad’s external role as a key U.S. ally and member of the U.S.-led counterterrorism effort came up against powerful domestic opposition to Pakistan’s participation in or condoning of a war against another Muslim country. So great were the countervailing pressures that most analysts foresaw a Pakistani abstention

Table’ For Pakistan,” *Defense Week*, February 4, 2003).

⁵⁸ Nathan Hodge, “Talks Solidify U.S.-Pakistan Military Cooperation,” *Defense Week*, September 30, 2002.

⁵⁹ “Joint Statement: Pakistan-US Defense Cooperation Group (DCG) Meeting, September 25-27, 2002, Rawalpindi, Pakistan,” Defense Security Cooperation Agency, U.S. Department of Defense.

⁶⁰ “US General Watches Pakistan-US Military Exercise,” Reuters News, October 20, 2002. Gen. Franks returned to Islamabad in January 2003 for a series of “routine consultations” with Pakistani leaders (“Top US General Holds Talks With Pakistan’s Musharraf,” Agence France-Presse, January 27, 2003).

⁶¹ “Security-related programs” are Foreign Military Financing (FMF), International Military Training and Education (IMET), International Narcotics and Law Enforcement (INCLE), Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR), and Peacekeeping Operations (PKO). FY2002 assistance included \$220 million in PKO funds.

on a potential UNSC Res. 1442, but the vote never came. Upon the initiation of U.S.-led military operations against Iraq in March 2003, Islamabad called the war “unjustified” and vowed to oppose it in all fora, while nearly all Pakistani opposition parties – religious and secular, alike – were harshly critical of U.S. policy.⁶²

Domestic Repercussions in Pakistan

November 2002 saw the formation of a fragile, pro-Musharraf ruling coalition in Islamabad, and President Musharraf ostensibly has turned day-to-day governance of the country over to civilian politicians.⁶³ The composition and actual level of influence exerted by the National Assembly and Prime Minister Zafarullah Jamali may have significant impact on future Pakistan-U.S. security relations in general and on U.S. counterterrorism efforts in South and Southwest Asia in particular. Thus far, the new civilian government in Islamabad has stated that it will “fulfill all its commitments to the international community in the fight against terrorism” and that “the policies initiated by President Pervez Musharraf will be continued.”⁶⁴ A rough estimate indicates that regional anti-terrorism efforts have caused the Pakistani economy losses in excess of \$10 billion since October 2001.⁶⁵

President Musharraf’s cooperation with U.S.-led anti-terrorism efforts is widely recognized as placing him in a precarious circumstance between external pressures to uphold pledges to eliminate Al Qaeda, Taliban, and Kashmiri separatist militants operating from Pakistani soil on the one hand, and internal pressures to maintain foreign policy independence, support for Kashmiri freedom, and even Islamic cohesion on the other. A February 2003 report indicates that Musharraf survived at least 6 assassination attempts during 2002, and notes that the risk of a coup staged by “senior-ranking” Pakistani military officials who disapprove of his relationship with the West cannot be ruled out.⁶⁶ The latter development could place Pakistan’s nuclear arsenal of up to 75 warheads in the hands of Islamic extremists. In March 2003, large-scale street demonstrations organized by Islamist parties, combined with persistent calls by opposition political figures that Musharraf drop his “illegal”

⁶² Khalid Piracha, “Pakistan to Oppose War at All Fora,” *Daily Times* (Lahore), March 20, 2003; “Pakistani Lawmakers Slam US as Parliament Opens Debate on Iraq,” Agence France-Presse, March 18, 2003.

⁶³ Numerous analysts portray Pakistan’s newly revived democratic institutions as being extremely fragile and largely cosmetic covers for the Pakistani military’s continued rule (see, for example, “Jean-Herve Deiller, “Behind Civilian Rule, Pakistan’s Army Looms Stronger Than Ever,” Agence France-Presse, March 2, 2003).

⁶⁴ “U.S. Secretary of State Colin Powell Gets Assurances of Continued Cooperation from Pakistan,” Associated Press Newswires, December 13, 2002.

⁶⁵ U.S. Central Command, “International Contributions to the War on Terrorism: Pakistan.” Online at [http://www.centcom.mil/Operations/Coalition/Coalition_pages/pakistan.htm].

⁶⁶ “Pakistan’s Unseen Conflict,” *Jane’s Intelligence Digest*, February 7, 2003.

package of constitutional amendments and resign his post as Army Chief, are said by many to be making the Pakistani government “extremely uncomfortable.”⁶⁷

Sovereignty Concerns

The escalation of U.S. military involvement in anti-terrorism operations in western Pakistan apparently has brought some positive results and probably keeps Al Qaeda and Taliban remnants off-balance, but a negative political reaction within Pakistan is fueling anti-government and anti-American sentiments that may jeopardize longer-term U.S. interests in the region. An apparent breakdown of the long-standing autonomy of Pakistan’s tribal zone along the border with Afghanistan, combined with an unprecedented U.S. military presence in the country, is reported to be causing increased anger and resentment among the ethnic Pashtun majority there. Likewise, the presence of American law enforcement agents in Pakistani cities is seen to be having similar effects among middle- and upper-class urban Pakistanis.

The Islamabad government has attempted to assuage this negative political response. Pakistani ballistic missile tests in early October 2002 were viewed as both a pre-election message of continued hawkishness vis-a-vis Kashmir and India, and a demonstration of foreign policy independence from the United States, given Washington’s expressed displeasure at any signs of arms race dynamics in the region. The presence in Pakistan of U.S. law enforcement and military personnel, and the arrest and extradition of several Pakistani nationals, have spurred frequent expressions of sovereignty concerns, especially by leaders of the Muttahida Majlis-e-Amal (MMA), a coalition of six leading Islamist parties. In late-2002 and early-2003:

- the president of the Peshawar Bar Association described Pakistan as having become “a U.S. colony;”
- senior legal figures in Baluchistan have complained that F.B.I. operations in that region are “clear violations of the Pakistani constitution;”
- MMA Secretary-General Maulana Rehman made a declaration of “jihad against America that has stationed its forces in Pakistan to do away with our sovereignty;”
- top MMA chief Liaquat Baloch demanded that all Americans living in Pakistan should be fingerprinted and tested for AIDS;
- the MMA vice president stated that police forces in the NWFP and Baluchistan had been instructed to comply only with the orders of their provincial governments and not with those given by any U.S. agencies;

⁶⁷ Zaffar Abbas, “Pakistan Senate in an Uproar,” BBC News, March 12, 2003; Muddassir Rizvi, “Pakistan: Regime Squirms as Religious Parties Protest War on Iraq,” Inter Press Service, March 3, 2003.

- and reports that F.B.I. agents had raided several mosques and madrassas in the Pakistani capital elicited complaints and warnings from Islamic clerics that such raids would lead to a “direct clash.”⁶⁸

The Pakistani government also has been critical of the newly-instituted U.S. policy of fingerprinting and photographing all Pakistani men who enter the United States, considering the policy unwarranted and “discriminatory” against the citizens of a U.S. ally. Islamabad formally requested that the United States remove Pakistan from the list of 20 nations subject to such immigration restrictions, with Pakistani Foreign Minister Kasuri warning that his country’s presence on the new U.S. registration list could destabilize the Islamabad government and bolster the cause of radicals in Pakistan. Secretary of State Powell responded by assuring Kasuri that the United States is “very sensitive” to Pakistani concerns on this issue and emphasizing that the registration program “is not something directed at Pakistan or directed at Muslims or directed at Pakistanis in America”⁶⁹ The issue reflects a growing perception in Pakistan that the United States maintains a double-standard of friendly relations with the Islamabad government and “adversarial” relations with the Pakistani people.

Islamist Sentiments

Negative repercussions also were manifest in Pakistan’s October 2002 national elections. The polls resulted in unexpectedly strong showings for candidates of the United Action Forum (known as MMA in its Urdu-language acronym), a coalition of six Islamic parties that ran on what largely was an anti-American platform and that won 68 seats – about 20% of the total – in the national assembly. The MMA also controls the provincial assembly in the North West Frontier Province and leads the coalition running that in Baluchistan (the two Pashtun-majority regions which border Afghanistan). This circumstance has led to concerns that a major shift in Pakistan’s foreign policy may be in the offing, most especially with renewed indications of the “Talibanization” of western border regions. Yet anti-Americanism as expressed through support for Islamic parties is not limited to the rural western regions; religious candidates won parliamentary seats in Islamabad, Lahore, and Karachi, and resentment of perceived U.S. support for what are called President Musharraf’s anti-

⁶⁸ “Pakistani Lawyers Slam FBI Presence Amid Further Protests,” Agence France-Presse, December 23, 2002; Mohammad Ejaz Khan, “FBI Raids in Pakistan Unconstitutional,” News International (Karachi), January 9, 2003; “MMA Declares Jihad Against US,” *Dawn* (Karachi), January 4, 2003; “MMA Demands New Foreign Policy,” *Dawn* (Karachi), February 1, 2003; “MMA to Resist FBI in NWFP, Baluchistan,” *Dawn* (Karachi), January 7, 2003; Tahir Ikram, “Pakistani Clerics Demand Action Against FBI Agents,” Reuters News, January 16, 2003; “MNA Warns Against FBI Raids,” *Dawn* (Karachi), January 18, 2003.

⁶⁹ Anwar Iqbal, “Pakistan Seeks Deletion From INS List,” *Dawn* (Karachi), December 27, 2002; Dan Eggen, “Pakistan Seeks Exemption From New U.S. Registration,” *Washington Post*, January 28, 2003; “Transcript: Powell Says U.S. ‘Very Sensitive’ to Pakistani Concerns Over NSEERS,” USIS Washington File, January 29, 2003.

democratic practices and military dictatorship has arisen even among Pakistan's monied elite.⁷⁰

Leading Islamist politicians in Pakistan reportedly have made numerous provocative comments since coming to power. One senior MMA leader stated that "Taliban and Al Qaeda members are our brothers." MMA parliamentary leader Qazi Hussain Ahmed has threatened that, if Musharraf supported any U.S. military action against Iraq, "the MMA will make the government unmanageable." During prayers on the floor of the Pakistani Parliament for a Pakistani national recently executed in Virginia for two murders outside the CIA headquarters in 1993, a senior MMA member stated that, "America is the biggest terrorist state." In the first days of January 2003, the chief of Jamat al-Daawa – one of 6 MMA coalition parties – asserted his belief that "all anti-Muslim forces including the United States are trying to paralyze the Muslims economically, socially, and politically all over the world." MMA leader Maulana Mahmood stated later in the month that Pakistan's opposition groups will "break America into pieces like Russia" and "erase America from the world."⁷¹ Anti-American sentiment is notably more virulent in Pakistan's Urdu-language press, where references to an alleged Christian-Jewish assault on Islam and the "traitorous" status of Pakistan's Western-allied leadership are more explicit.⁷²

Along with Islamist expressions of anger at the United States and the Musharraf-Jamali government's current alliance with it, there are plentiful signs of efforts underway to "re-Talibanize" Pashtun-majority areas near the Afghani-Pakistani border. In 2003, MMA lawmakers in the NWFP have pledged to accelerate the process of Islamization in the region, and have made requests that the federal government grant them the authority to impose harsh penalties under *Sharia*, such as amputating the hands of thieves and stoning adulterers, as well as severely limiting women's freedoms. The seizure and burning of books and videotapes deemed "pornographic" has become common; numerous carnivals and theaters have been shut down. Even a leading Muslim separatist group in India's Jammu and Kashmir state has criticized Pakistan for the "Talibanization" of Indian Kashmir by sending jihadis across the Line of Control.⁷³

⁷⁰ David Rohde, "Pakistan's Elite Show Anti-Americanism in Elections," *New York Times*, October 13, 2002.

⁷¹ David Rohde, "Muslim Parties' Election Strength Weakens Musharraf," *New York Times*, October 12, 2002; "Pakistan's Position if US Attacks Iraq," *Daily Times* (Lahore), December 10, 2002; Zahid Hussain, "Pakistani MP Brands America a 'Terrorist'," *Times* (London), November 20, 2002; "US Trying to Destroy Muslims: Saeed," *Dawn* (Karachi), January 9, 2003; Zaffar Abbas, "Pakistanis Rally Against Iraq War," *BBC News*, January 31, 2003.

⁷² See, for example, Shamin Akhtar, "Still Unashamed, Pakistan is Fighting a U.S. War," *Jasarat* (Karachi in Urdu), August 2, 2002 via Foreign Broadcast Information Service (FBIS), August 9, 2002; "Plea to Undertake Operation Against Pakistan," *Ummat* (Karachi in Urdu), August 20, 2002 via FBIS, August 20, 2002; "Social Boycott of an Imam in Southern Waziristan Over Loyalty with the United States," *Ummat* (Karachi in Urdu), July 2, 2002, via FBIS, July 9, 2002.

⁷³ Riaz Khan, "Lawmakers in Northwestern Pakistan Vow to Accelerate Islamization Process," *Associated Press Newswire*, January 4, 2003; Mohammed Shehzad, "One Step

Although the MMA did enjoy a strong showing in October 2002 elections, Pakistani government officials repeatedly have stated that Islamabad's foreign policy will remain unchanged. Moreover, Pakistan does have a small, but politically active middle-class, as well as a notable camp of moderate political figures who seek to establish a firm middle ground between the perceived poles of secular military dictatorship and the institution of Islamic rule. These figures often root their ideas in the writings of Mohammed Ali Jinnah, Pakistan's founding father and proponent of a moderate and democratic Islamic republic. To date, such moderate views usually have been outweighed by militarist influences and/or the perception of widespread corruption among Pakistan's civilian politicians, which have fostered political polarization.

Assessment and U.S. Concerns

In March 2003, a top U.S. diplomat stated that U.S.-Pakistan relations are both "significantly broadened" and "solid." She called Pakistan-U.S. anti-terrorism cooperation "excellent" and "100 percent solid," and noted that "Pakistan has apprehended close to 500 suspected Al Qaeda operatives and affiliates."⁷⁴ However, while the U.S. State Department and White House continue to be almost wholly positive in their pronouncements relevant to Pakistani cooperation, the first months of 2003 have seen increasing expressions of U.S. doubts and concerns, emanating especially from top military and congressional leaders. Specific issues most commonly raised regard the continuation of Islamist militant infiltration into Indian Kashmir, the continued presence in Pakistan of wanted terrorists and illegal terrorist groups, and the extent to which Pakistan's government and its intelligence apparatus are committed to Islamabad's stated anti-terrorism policies.

In an unusually strong rebuke, U.S. Ambassador to Islamabad Nancy Powell stated in January that Pakistan is being used as a "platform for terrorism" and that this must stop. Later in the month, an unnamed U.S. State Department official was quoted as saying that the amount of infiltration of Islamic militants across the Line of Control into Indian Kashmir was increasing and that Pakistan was not doing enough to halt it.⁷⁵ Leading U.S. military commanders overseeing Operation Enduring Freedom have complained that renegade Al Qaeda and Taliban fighters are able to attack coalition troops in Afghanistan then escape across the Pakistani frontier. They have expressed dismay at the "slow pace of progress" in capturing wanted fugitives, especially Taliban leaders, in Pakistan and have urged Pakistan to

Forward, Two Centuries Back," *Friday Times* (Lahore), February 21, 2003; Munir Ahmad, "Pakistani Region Seeks Harsher Penalties," Associated Press Newswire, January 7, 2003; "Officials Destroy Tapes and CDs in Pakistani Province," *New York Times*, January 19, 2003; "Pakistan 'Talibanizing' Kashmir: JKLF," *Times of India* (Delhi), January 17, 2003.

⁷⁴ Assistant Secretary of State for South Asia Rocca, "Transcript: Hearing of the Subcommittee on Asia and the Pacific of the House International Relations Committee," Federal News Service, March 20, 2003.

⁷⁵ "U.S. Asks Pakistan to Insure Pledges on Kashmir," Reuters News, January 23, 2003; "Pakistan Not Doing Enough to Stop Kashmir Incursions: US," Agence France-Presse, January 30, 2003.

“do more” to secure its rugged western border area.⁷⁶ The U.S. Special Envoy to Afghanistan Khalilzad stated in February that, “There are some key Taliban figures in Pakistan ... some Al Qaeda people in the border areas” and that the U.S. government “will not accept” these individuals being allowed to “find refuge” in Pakistan.⁷⁷ In the same month, the two senior members of the Senate Foreign Relations Committee – Sen. Lugar and Sen. Biden – expressed “deep concern” that “elements of Pakistan’s powerful Inter-Services Intelligence agency might be helping members of the Taliban and Al Qaeda operate along the border and infiltrate into Afghanistan.”⁷⁸

In a security-related matter that may affect future Pakistan-U.S. anti-terrorism cooperation, late-2002 and early-2003 press reports citing U.S. intelligence officials indicated that Pakistan appears to have provided nuclear weapons-related technologies to North Korea beginning in the late-1990s and possibly continuing through July 2002.⁷⁹ Subsequent reports suggest that Iran’s nuclear program may also have benefitted from Pakistani assistance in the past.⁸⁰ Islamabad adamantly denies that any such transfers have occurred. In October 2002, Musharraf gave Secretary of State Powell a “400% assurance” that such transfers to North Korea are “not taking place now.” When asked about past transfers, Secretary Powell said, “The past is the past and there isn’t a whole lot I can do about it.” In March 2003, the Bush Administration declared that it had “carefully reviewed the facts relating to the possible transfer of nuclear technology from Pakistan to North Korea, and

⁷⁶ “US Seeks Greater Military Cooperation,” *Dawn* (Karachi), January 29, 2003; Marc Kaufman, “U.S. Seeks Joint Military Action With Pakistan,” *Washington Post*, March 16, 2003; David Brunnstrom, “U.S. Coalition General Says Pakistan Could Do More,” Reuters News, December 27, 2002.

⁷⁷ Carlotta Gall, “U.S. Won’t Accept Refuge in Pakistan for Al Qaeda and Taliban,” *New York Times*, February 10, 2003. On the same day, in testimony before the Senate Intelligence Committee, C.I.A. Director Tenet stated that “lawless zones” like those along the Afghan-Pakistani border are places where “extremist movements find shelter and can find the breathing space to grow,” while D.I.A. Director Jacoby noted the “continued cross-border infiltration from Pakistan” into Indian-held Kashmir, and that “Pakistan does not completely control areas in the northwest where concentrations of Taliban and Al Qaeda remain,” and warned that a “coup or assassination [of Musharraf] could result in an extremist Pakistan” (George Tenet, “DCI’s Worldwide Threat Briefing,” February 10, 2003; Lowell Jacoby, “Current and Projected National Security Threats to the United States,” February 11, 2003).

⁷⁸ James Dao, “Terror Aid From Pakistan Concerns Senators,” *New York Times*, February 13, 2003.

⁷⁹ See David Sanger and James Dao, “U.S. Says Pakistan Gave Technology to North Korea,” *New York Times*, October 18, 2002; Glenn Kessler, “Pakistan’s N. Korea Deals Stir Scrutiny,” *Washington Post*, November 13, 2002; David Sanger, “In North Korea and Pakistan, Deep Roots of Nuclear Barter,” *New York Times*, November 24, 2002; Seymour Hersh, “The Cold Test,” *New Yorker*, January 21, 2003; “Pakistan’s Nuclear Activities,” *Jane’s Intelligence Digest*, January 22, 2003.

⁸⁰ Michael Gordon, “Inspectors View Nuclear Work at Iranian Site,” *New York Times*, February 23, 2003.

decided that they do not warrant the imposition of sanctions under applicable U.S. laws.”⁸¹

Congressional oversight of U.S.-Pakistan relations in a March 2003 hearing of the Subcommittee on Asia and the Pacific of the House International Relations Committee included Member expressions of concern about possible links between Al Qaeda and Pakistan’s largest Islamic party; about Musharraf’s possibly continuing support for “Kashmiri terrorists;” about the possibility that “lower-level operatives within the ISI” may be assisting Al Qaeda and Taliban fugitives; about possible ISI involvement in regional heroin trafficking; about Pakistan’s possible nuclear weapons proliferation activities and “contradictions” in U.S. nonproliferation policy toward the region; about the role madrassas play in raising levels of Islamic radicalism in Pakistan; and about problems with Pakistani democratization and the danger of the United States “giving full recognition to a military coup” through continuous waivers of democracy-related aid restrictions.⁸²

Pakistan-U.S. anti-terrorism cooperation has been broad in both scale and scope, and has realized tangible successes since October 2001. Yet the wide range of U.S. concerns about relations with Pakistan indicate that such partnership between the two countries may be undermined. A reduction of U.S. cooperative efforts could result from increased indications of suboptimal levels of Pakistani commitment or from exacerbated Pakistan-India tensions that are linked to infiltration in Kashmir. Differences over weapons proliferation and human rights violations could trigger far-reaching restrictions on future U.S. aid to Pakistan. The Islamabad government, for its part, may come under increasing pressure to adjust its foreign policy to more accurately reflect the sentiments of Pakistan’s opposition parties, especially the virulently anti-Western Islamists. This could erode Pakistani cooperative efforts and is made even more likely as domestic violence and public disturbances in Pakistan continue. Given such numerous and substantial potential disruptions to present levels of Pakistan-U.S. anti-terrorism cooperation, it may be unwise to assume that such cooperation is sustainable in the middle- and long-term.

⁸¹ “Secretary of State Powell Delivers Remarks, Los Cabos, Mexico,” Federal Document Clearing House, October 26, 2002; “Transcript: Secretary of State Colin Powell Interviewed on ABC’s This Week,” USIS Washington File, October 20, 2002; Assistant Secretary of State for Legislative Affairs Paul Kelly, “Letter to Sen. Daschle,” March 12, 2003.

⁸² “Transcript: Hearing of the Subcommittee on Asia and the Pacific of the House International Relations Committee,” Federal News Service, March 20, 2003.

Figure 1. Map of Pakistan



Source: Map Resources. Adapted by CRS. (M.Chin 03/03)

Note: Boundary representations not necessarily authoritative.

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