

DIPLOMACY IN THE AGE OF TERRORISM: WHAT IS THE STATE DEPARTMENT'S STRATEGY?

HEARING BEFORE THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

—————
AUGUST 19, 2004
—————

Serial No. 108-152
—————

Printed for the use of the Committee on International Relations



Available via the World Wide Web: http://www.house.gov/international_relations

—————
U.S. GOVERNMENT PRINTING OFFICE

95-542PDF

WASHINGTON : 2005

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON INTERNATIONAL RELATIONS

HENRY J. HYDE, Illinois, *Chairman*

JAMES A. LEACH, Iowa	TOM LANTOS, California
CHRISTOPHER H. SMITH, New Jersey, <i>Vice Chairman</i>	HOWARD L. BERMAN, California
DAN BURTON, Indiana	GARY L. ACKERMAN, New York
ELTON GALLEGLY, California	ENI F.H. FALEOMAVAEGA, American Samoa
ILEANA ROS-LEHTINEN, Florida	DONALD M. PAYNE, New Jersey
CASS BALENGER, North Carolina	ROBERT MENENDEZ, New Jersey
DANA ROHRABACHER, California	SHERROD BROWN, Ohio
EDWARD R. ROYCE, California	BRAD SHERMAN, California
PETER T. KING, New York	ROBERT WEXLER, Florida
STEVE CHABOT, Ohio	ELIOT L. ENGEL, New York
AMO HOUGHTON, New York	WILLIAM D. DELAHUNT, Massachusetts
JOHN M. McHUGH, New York	GREGORY W. MEEKS, New York
ROY BLUNT, Missouri	BARBARA LEE, California
THOMAS G. TANCREDO, Colorado	JOSEPH CROWLEY, New York
RON PAUL, Texas	JOSEPH M. HOEFFEL, Pennsylvania
NICK SMITH, Michigan	EARL BLUMENAUER, Oregon
JOSEPH R. PITTS, Pennsylvania	SHELLEY BERKLEY, Nevada
JEFF FLAKE, Arizona	GRACE F. NAPOLITANO, California
JO ANN DAVIS, Virginia	ADAM B. SCHIFF, California
MARK GREEN, Wisconsin	DIANE E. WATSON, California
JERRY WELLER, Illinois	ADAM SMITH, Washington
MIKE PENCE, Indiana	BETTY MCCOLLUM, Minnesota
THADDEUS G. McCOTTER, Michigan	BEN CHANDLER, Kentucky
KATHERINE HARRIS, Florida	
VACANCY	

THOMAS E. MOONEY, SR., *Staff Director/General Counsel*

ROBERT R. KING, *Democratic Staff Director*

KRISTEN GILLEY, *Senior Professional Staff Member*

LIBERTY DUNN, *Staff Associate*

JEAN CARROLL, *Full Committee Hearing Coordinator*

CONTENTS

	Page
WITNESSES	
Christopher Kojm, Deputy Executive Director, National Commission on Terrorist Attacks Upon the United States	8
Susan Ginsburg, Team Leader for Border Security and Foreign Visitors, National Commission on Terrorist Attacks Upon the United States	11
The Honorable J. Cofer Black, Coordinator of Counterterrorism, U.S. Department of State	39
The Honorable Patricia de Stacy Harrison, Acting Under Secretary for Public Diplomacy and Public Affairs, and Assistant Secretary, Bureau of Educational and Cultural Affairs, U.S. Department of State	47
The Honorable Maura Harty, Assistant Secretary, Bureau of Consular Affairs, U.S. Department of State	53
The Honorable Francis X. Taylor, Assistant Secretary, Bureau of Diplomatic Security, and Director of the Office of Foreign Missions, U.S. Department of State	58
The Honorable Earl Anthony Wayne, Assistant Secretary, Bureau of Economic and Business Affairs, U.S. Department of State	64
James W. Swigert, Principal Deputy Assistant Secretary, Bureau of International Organization Affairs, U.S. Department of State	75
Carol A. Rodley, Principal Deputy Assistant Secretary, Bureau of International Organization Affairs, U.S. Department of State	78
The Honorable Christina B. Rocca, Assistant Secretary, Bureau of South Asian Affairs, U.S. Department of State	81
The Honorable Philo Dibble, Acting Assistant Secretary of State for Near Eastern Affairs, U.S. Department of State	88
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
Christopher Kojm and Susan Ginsburg: Prepared statement	14
The Honorable J. Cofer Black: Prepared statement	41
The Honorable Patricia de Stacy Harrison: Prepared statement	48
The Honorable Maura Harty: Prepared statement	55
The Honorable Francis X. Taylor: Prepared statement	60
The Honorable Earl Anthony Wayne: Prepared statement	67
James W. Swigert: Prepared statement	76
Carol A. Rodley: Prepared statement	80
The Honorable Christina B. Rocca: Prepared statement	82
The Honorable Philo Dibble: Prepared statement	90
APPENDIX	
Material Submitted for the Hearing Record	121

DIPLOMACY IN THE AGE OF TERRORISM: WHAT IS THE STATE DEPARTMENT'S STRATEGY?

THURSDAY, AUGUST 19, 2004

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Committee met, pursuant to call, at 10 o'clock a.m., in Room 2172, Rayburn House Office Building, Hon. Christopher H. Smith [Vice Chairman of the Committee] presiding.

Mr. SMITH OF NEW JERSEY. The hearing will come to order, and good morning, everybody.

The ability of Osama bin Laden's al-Qaeda's transnational terrorist network to inflict violence was felt with particular horror on August 7, 1998, when U.S. Embassies in Nairobi and Dar es Salaam were attacked. Members will recall more than 220 people were killed, including 12 U.S. Government employees. More than 4,000 were injured, mostly Africans. That was—or should have been—the wake-up call.

Soon after the Embassy bombings, I chaired a hearing, one of several of legislation that I sponsored that became law, to authorize substantial funds for counterterrorism, Embassy security, public diplomacy, broadcasting and democracy building. At one hearing, we heard from Admiral William Crowe, former Chairman of the Joint Chiefs of Staff and Chairman of the Accountability Review Boards, not unlike the 9-11 Commission, that probed the Embassy bombings.

Admiral Crowe said at the time,

“In our investigations of the bombings, the Boards were struck, as you noted, by the similarity of our recommendations with those drawn by the Inman Commission over 14 years ago. I find very troubling, the failure of U.S. Government to take the necessary steps to prevent such tragedies in the interim.”

He also said,

“Throughout the proceedings, the Boards were most disturbed regarding two interconnected issues. The first of these was the inadequacy of the resources to provide security against terror attacks, and the second was the relatively low priority accorded security concerns throughout the U.S. Government by the Department of State, other agencies in general, and on the part of many employees, both in Washington and in the field.”

At that same hearing, in the late 1990s, Assistant Secretary for Diplomatic Security David Carpenter testified, and I quote him briefly,

“During the past decade, prior to the tragic August 7th bombings in Nairobi and Dar es Salaam, all of the attacks against U.S. interests involved indigenous terrorist elements. While we were aware of threats from external terrorist groups, none ever materialized. The August 7th bombings demonstrated the existence of a global terrorist organization capable of and intent on attacking U.S. diplomatic targets. All our posts are now considered at risk and we need to take a comprehensive security approach.”

He also concluded,

“Global or regional networks may strike where we are most vulnerable.”

Prophetic words.

On September 11, 2001, we were “most vulnerable” in New York, at the Pentagon and on four planes carrying Americans. 9/11 wasn’t the start, but the escalation of a war on Americans and others of goodwill.

We are, in fact, in a war, but with a new and far different enemy than any we have previously encountered. Our enemies are unlikely to be vanquished in any traditional sense of achieving their surrender. In fact, there may never be an end to this conflict, never an end to the need for eternal vigilance, preemption and vigorous application of all measures within our capabilities.

The 9–11 Commission suggests that the enemy is not just “terrorism” defined as some generic evil. They say, and I quote:

“The catastrophic threat at this moment in history is more specific. It is the threat posed by Islamist terrorism—especially the al Qaeda network, its affiliates and its ideology.”

It is important that we face this fundamental fact, for since we are at war, we must fight a war. And we must fight it to win, even if success is ultimately judged by a significant mitigation of the threat. We must fight to win because the consequences of losing have no limiting boundaries. We must fight to win using every prudent means at our disposal, including smart diplomacy, because half-hearted, half-baked responses will only exacerbate the problem, and more lives will likely be lost.

We must remember that our enemies neither seek our defeat in a political sense nor a negotiated settlement, but they seek our annihilation and will exploit any opportunity, target any innocent, to achieve their aims.

We are only in the beginning stages of learning how to most effectively fight this war. Yet, the fact of the matter is that the Bush Administration is indeed vigorously and successfully prosecuting the war against transnational terrorism. In its report, the 9–11 Commission clearly states,

“In the nearly 3 years since 9/11, Americans have become better protected against terrorist attack.”

The Commission notes, and I continue to quote,

“Because of offensive actions against al Qaeda since 9/11, and defensive actions to improve homeland security, we believe we are safer today.”

The Commission notes further, however, that while we are safer, “we are not safe.”

Less than a month ago, on July 24, a raid in Pakistan on an al-Qaeda leader fetched, among other things, three computers filled with data and approximately 500 photographs of potential terrorist sites inside America including in my own State of New Jersey. Again, safer, but not safe.

While the details contained in the database are sobering, the partnership that has been developed and nurtured with the Pakistanis at all levels—intelligence, military, government—that led to this arrest and others, has been extremely fruitful, which is one of the things the Commission talks about—the importance of building those bonds. But I would point out to my colleagues, that didn’t happen by accident. It was forged through meticulous, tenacious and smart diplomacy at the highest levels.

We have been enormously aided, I would say, in our tasks in Congress and the Executive Branch, by the 9–11 Commission and its recent report on the complex nature of the threats that we face, the mix of striking success and the regrettable missteps that comprise our response to date, and a much-needed set of recommendations to guide our deliberations, plans and actions. Of the 40-plus recommendations contained in the report, more than a dozen concern subjects over which this Committee has primary jurisdiction, and we are currently focused on developing measures that we believe will address these comprehensively.

In a traditional war, of course, we expect the military to assume the role of principal actor, with our fortunes dependent on the success or failure of its operations. But in this war, the front line is not necessarily on the battlefield, and the Department of Defense, more than in any other conflict to date, shares but doesn’t own, the responsibility for our safety. That responsibility is distributed widely and embraces the entirety of our interests, both domestic and foreign.

Today we are focused on how the State Department plans to prosecute this war and how things have changed in the State Department since 9/11. Its role stretches far beyond the rarified ceremony of high diplomacy. In fact, it may well be that State represents our very first line of defense.

Sadly, we know that this has not always been the case. In fact, a simple review of the visa applications of several of the 9/11 hijackers who got United States visas at our mission in Saudi Arabia makes it abundantly clear that no one was seriously reading them. And if they were, red flags, bells and whistles were shamelessly ignored. Amazingly, visa applications gained muster that were marked with incorrect, incomplete and, at times, simply incoherent entries. It appears that in addition to human error and incompetence there was an “incredibly permissive” visa approval culture at our consulate in Jeddah which sought to provide as many visas as possible, turning the law—especially the 214(b) presumption—on its head.

The 9–11 Commission stresses the importance of effectively interdicting terrorist travel and states:

“For terrorists travel documents are as important as weapons . . . We found,” that is, the Commission, “that as many as 15 of the 19 hijackers were potentially vulnerable to interception by border authorities . . . Before 9/11,” they go on to say, “no agency of the U.S. Government systematically analyzed terrorists’ travel strategies.”

The Commission notes lingering systemic “weaknesses,” but they note that they have been reduced but not overcome.

The effort to prevent the continued growth of Islamist terrorism may pose the greatest challenge, and I am talking about prevention now in the months and years to come. The question arises, How do people of goodwill rescue young people from the clutches of the hate monger, always on the prowl in search of new terrorist recruits?

The 9–11 Commission suggests that the United States more effectively engage in the struggle of ideas. Misinformation, gross distortion, demonization of the United States, which breeds anti-Americanism of the most lethal kind, need an immediate, rigorous, laser-like response. If we let the lies and hate stick by not responding robustly, we unwittingly permit the next generation to grow the hatred.

Like a political candidate who gets smeared in a campaign, the United States must aggressively seek to set the record straight or the smear will be believed. If the smear sticks to a politician, he or she may lose an election. If the smear sticks to the United States, terrorists will rise up in misguided furor and kill Americans. The U.S. doesn’t have the luxury of inaction.

As the Commission notes, and I quote them briefly, if the . . .

“United States does not act aggressively to define itself in the Islamic world the extremists will gladly do the job for us.”

The Commission also suggests an agenda of opportunity, a multifaceted effort to promote liberty, tolerance and economic development. Give the parents of young Muslims a vision that might give their children a better future, rather than bin Laden’s vision of violence and death.

Let me make it clear: This Committee welcomes the 9–11 Commission’s suggestions and does so with open arms. Much of what we do and have done under the extraordinary leadership of Chairman Henry Hyde and Ranking Member Tom Lantos, is designed to promote basic education, medical care for the indigent, humanitarian interventions, refugee protection, tolerance, microcredit lending, democracy-building and respect for fundamental human rights. Should we be doing more? You bet.

Given the opportunity and the enormity of the stakes and the extent of the responsibilities that we collectively share, I know that many dedicated people at the State Department have devoted long hours and much thought to developing ideas and plans of how to accomplish these difficult tasks. Today’s hearing will focus on how State’s responsibilities and opportunities are perceived within the Department, and we have an unprecedented, historic, number of

assistant secretaries and deputies here to offer their views—nine of them.

We welcome your valuable insights, your guidance, and counsel, and we thank you for your often under-heralded service.

Let me conclude by thanking my good friends, former Governor Tom Kean and the former Chairman of this Committee, Lee Hamilton, two men I have known and admired for years for their outstanding work; and to their expert staff—two of whom are here today—who have immersed themselves in not only the big picture, but the all-important, seemingly mundane details.

I would also like to extend a very special thanks to the 9/11 families, including “the Jersey Girls,” Kristen, Mindy, Patty and Lorie, who have poured themselves into ensuring that this Commission was established in the first place, and now, that its recommendations be heeded. They are truly American heroes who have put the public interest above all else.

I would like to yield to my good friend and colleague, Bob Menendez, a fellow New Jerseyan, for any opening comments Bob might have.

Mr. MENENDEZ. Thank you Mr. Chairman. I appreciate your holding these hearings today. For me, this hearing is personal. In my district alone in New Jersey, we lost 122 people in the September 11, 2001 attacks. And I can't tell you how many memorial services we attended in our district, nor describe in words the sympathy and sorrow that we felt for family members who lost their loved ones, both in New Jersey and across the country. So this hearing is personal.

And the new threats, particularly in Newark, which is part of our district, have made it only clearer to me that the time to act is now. In less than 1 month, we will face the third anniversary of this tragic event. We have waited for almost 3 years and we can wait no more. To the families who have been the catalyst on this issue, we owe you our thanks. There would be no Commission without you. It was your perseverance and your quest for the truth about what happened to your loved ones that made this report happen.

From the beginning, the Bush Administration acted only when forced by public pressure. They opposed the creation of the Commission itself and they initially refused to have members of the Administration testify before the Commission. And rather than endorsing the full recommendations of the Commission, the Administration currently says the new National Intelligence Director won't control the money, and won't have the right to hire and fire. At a time of new threats, the last thing our country needs is a castrated National Intelligence Director.

The Democratic Caucus returned to Washington last week in the middle of recess to meet with the Chair and the Vice Chair of the Commission to discuss the recommendations. Leader Pelosi has already written a bill to be introduced in September which would exactly implement all of the Commission's recommendations without change.

The Congress should do more than hold hearings to discuss recommendations. We should act to pass legislation. And we hope our

Republican colleagues will join us in endorsing this legislation as a vehicle to pursue a legislative achievement.

The Commission was bipartisan. The Commission was unanimous. The Commission created a complete package of recommendations, not a menu of options. We, too, should work toward a bipartisan and unanimous response to the 9–11 Commission recommendations.

Now, today we are here to talk about foreign diplomacy and foreign policy. We are here to talk about our soft power, the United States's "ability to attract others by the legitimacy of U.S. policies and the values that underlie them," as defined by Joseph Nye, Jr. Today we are here to examine and redefine the State Department's role as the Government's main implementing agency of soft power in the war on terror.

The United States cannot lead if others will not follow. And it is abundantly clear that the credibility and representation of the United States is at an all-time low internationally, and particularly in the Muslim world.

To lead in the fight against terrorism, we must regain our credibility and our reputation. To win that fight, we must also win a tough battle for the hearts and minds of the Muslim world. The population of young Muslims continues to grow and increasing numbers are unemployed or unable to make a decent living. Young people in the Muslim world must have much more to live for than to die for.

This Committee, along with the State Department, should pledge to enact new legislation and initiatives which will respond to the 9–11 Commission's calls for a new effort to prevent the continued growth of Islamic terrorism, to encourage economic development and open societies, and to create opportunities for young people in the Middle East.

This Committee must take responsibility not only for implementing the general recommendations of the Commission, but also for creating specific initiatives within the jurisdiction of the Committee which implement the intent of those recommendations; and I'd like to just recommend a few.

One is to require the Administration to report to Congress on terrorist sanctuaries, both physical as well as financial, and on specific strategies to deal with each one. The Administration might also convene an annual meeting of like-minded States to coordinate strategies.

Secondly, to create a bottom-up review of U.S. foreign policy toward Muslim countries with the focus on democracy development and diplomacy by an outside organization, possibly the Council on Foreign Relations. The goal would be to review, consolidate, improve and coordinate existing programs and to increase public and government oversight. This analysis would cover all U.S. Government programs, including bilateral assistance, the Middle East Partnership Initiative, the National Endowment for Democracy, media programs and multilateral initiatives.

Three, while we do not currently export nuclear materials to the countries I am about to discuss, it is important that the United States set a standard for the rest of the world. We should therefore prohibit, by law, nuclear exports to countries that have not signed

on to additional International Atomic Energy Agency safeguards, or who have violated those safeguard agreements, and to condition U.S. arms sales military financing and security assistance to all states involved in the A.Q. Khan nuclear black market and states that haven't agreed to interdict items of proliferation concern.

And four, we should create an international Muslim and Arab youth education fund to be funded by the United States and international communities to help Muslim countries that commit to education reform.

Now, these are just some thoughts, and certainly they are not an exhaustive review of all possible action. But they are certainly a call to action.

I anticipate that our nine State Department witnesses—a new record, as the Chairman has said, and I am always glad to create those type of records; we are always happy, finally, to have opportunities to speak to our friends in the State Department who come before the Committee eager to tell us in detail about the new activities and programs they have instituted since September 11, 2001 to fight terrorism. And certainly those are welcome. And I am sure that they will also claim that they have already implemented the Commission's recommendations so that there is no need for this Committee to act on new legislation.

I do not believe that claim, even if true, should preempt legislation. There is a difference between that which we are obligated to do and that which we choose to do.

We have a unique opportunity and we must not squander it. The question is, Do we have the political will to reform our Government to guarantee that all branches of the United States Government are fully engaged in the war on terror?

The *9/11 Commission Report* is clearly a wake-up call in its most dramatic fashion. I hope to hear today that the State Department has heard the alarm, and I hope that we, the Congress, act with vigorous, vigorous oversight that the Commission called for, and action, and that in doing so, we can work toward making America a much safer place, a much safer country than it is right now.

Thank you, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Menendez. I will now, under a previous agreement, go to our two witnesses.

Mr. SHERMAN. Is there a possibility that the rest of us would be able to make opening statements?

Mr. SMITH OF NEW JERSEY. Because we have nine Secretaries here, the thought was that at the end I would gladly entertain any comments people might want to make. But we want to get right to the witnesses, and Mr. Menendez and I did agree at the beginning.

Without objection, your statement and that of any other Member will be put in the record.

I would like to welcome our two very distinguished witnesses, beginning with Christopher Kojm, who is no stranger to this Committee and to the proceedings of our International Relations Committee. Chris served as Deputy Executive Director of the National Commission on Terrorist Attacks, the 9–11 Commission. He served, from 1998 until February 2003, as Deputy Assistant Secretary for

Intelligence Policy and Coordination in the State Department's Bureau of Intelligence and Research. He served previously in the Congress on the staff of the House International Relations Committee under Ranking Member Lee Hamilton as Deputy Director of the Democratic staff from 1997 to 1998, as Coordinator for Regional Issues from 1993 to 1997, and also under Chairman Hamilton on the Europe and Middle East Subcommittee staff from 1984 to 1992. So, an enormous amount of time spent here on this Committee.

From 1979 to 1984, he was a writer and editor with the Foreign Policy Association in New York City. He has a Master's Degree in Public Affairs from the Woodrow Wilson School at Princeton and a B.A. from Harvard College.

Our next distinguished witness will be Susan Ginsburg, who is Senior Counsel and Team Leader for the 9-11 Commission's Border Security team. She served as Chief of Staff and Senior Advisor to the Under Secretary for Enforcement at the Department of Treasury from 1994 to 2001 and as a Special Assistant at the Department of State's Office of International Narcotics Matters from 1979 to 1981. An attorney, she also serves on the board of Aid to Artisans, a nonprofit organization focused on development.

Mr. Kojm, if you could begin your testimony.

STATEMENT OF CHRISTOPHER KOJM, DEPUTY EXECUTIVE DIRECTOR, NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES

Mr. KOJM. Mr. Chairman, Ranking Member Menendez, distinguished Members of the Committee on International Relations, it is a distinct honor to appear before you. We thank you for the invitation to appear before this distinguished Committee to present the recommendations of the Commission.

We also want to thank both the Chair and Ranking Member Menendez for their presentation of the Commission recommendations, your statements of support for them, and your own commitment to prompt action on behalf of those recommendations.

Also, simply on a personal note, it is a great honor to return to this room that I know so very well to be with former staff colleagues and my former bosses. So it is an honor. Thank you.

The Commissioners share a unity of purpose in support of the Commission's recommendations and report. On their behalf, we call upon Congress and the Administration to display the same spirit of bipartisanship as we seek to work with you to make our country and all America safer and more secure.

Today, we face a transnational threat. It respects no boundaries and makes no distinction between foreign and domestic. The enemy is resourceful, flexible and disciplined.

We cannot succeed against terrorism by Islamic extremist groups unless we use all the elements of national power—military power, to be sure, intelligence and covert action, to be sure, but also very many other important tools—diplomacy, law enforcement, economic policy, foreign aid, public diplomacy and homeland defense.

What we discovered in our work is that if we favor one tool while neglecting others, we leave ourselves vulnerable and we weaken our overall national effort. And this is not just our view, it is the view of every policymaker with whom we spoke.

We spoke with Secretary Rumsfeld. In his now famous memo of October of last year he said: We are killing and capturing al-Qaeda members. We are working on destroying the organization, but the madrassahs are producing more young people. He concluded the cost-benefit ratio is against us. He told us he can't get the job done with the military alone.

Cofer Black, now with the State Department, but of course the former head of the Counterterrorism Center, testified before us as well. He made clear to us that the CIA can't get the job done alone. It requires a much broader national effort. We need to fuse all of the elements of national power.

Now, we talk about that in our written statement, but I want to concentrate on those of greatest interest to this Committee, and those are foreign policy and public diplomacy.

Foreign policy is a crucial element of our struggle, of our national security effort against terrorism. We can't win unless our foreign policy is directly and firmly engaged, and that of course includes the Department of State, which must play a leadership role in the conception and execution of our international effort.

So the Commission believes strongly that we must give renewed focus to foreign policy and public diplomacy efforts. The point of this is really quite simple. We really can't get much done without international cooperation. There is very little that we can achieve to defeat the Islamist terrorist threat over the long term without international cooperation. One of our recommendations is for a new forum for Western governments, the G-8 governments to interact with the Arab and Muslim world. We just don't really have a good place where our governments can come together.

We meet with the European Union twice a year. We meet with the ASEAN countries once a year. We have an Asia Regional Forum for a broader inclusion of Pacific Basin nations, but we don't really have a good forum where we and the Muslim world can come together.

We don't really have a relationship with the Arab League, and the Arab League alone is not appropriate. We need a place where we can have a dialogue about the future, about political and economic reform, about what we want the future to look like and what role the Western World can play in helping to shape that future in a constructive way.

This is not a forum just for governments, but we are going to need a forum where societies can interact, where we can have outreach across international boundaries and across and beyond government boundaries, so that we can help the reformers in the Muslim world succeed. Because ultimately, they are the ones who have to make the hard choices, they are the ones who are going to have to display the courage to make change and reform happen.

Wherever you look, whatever the question is, whether it is military cooperation, law enforcement, aviation security or border security, we are going to have to work with other governments on standards for passports, standards for international travel, standards for aviation security, cooperation on law enforcement and intelligence.

Now, you can say—but I think it is a mistake to say—that, well, our intelligence services can do their liaison work here on the side,

or law enforcement can do their work with counterparts. It all takes place in the context of the overall relationship we have with governments. If we don't have a relationship of trust and cooperation with key international partners, these other forms of cooperation in sector-specific areas won't happen.

So, let me turn briefly to the question of public diplomacy. Our statement outlines really the views in the report, and the Chair and Vice Chair have stated many of them, so I won't repeat them. Simply with public diplomacy, I want to make the point that in the past we worried about the great powers. We worried about Nazi Germany, Imperial Japan, the Soviet Union, great powers with big armies that represented conventional military threats to us. We quite properly arrayed our defenses and national security resources against that threat.

But the threat is different today. The threat to us today is basically an idea, the idea that animates 19 young men to kill themselves in their desire to inflict very grave harm upon us. It was an idea that got them to board those planes and do those evil deeds.

So how do we deal with this idea? Well, with the small, hard core of bin Laden and al-Qaeda supporters, there isn't too much you can do about it. You are not going to persuade them with sweet reason. We don't have much choice as a government other than to kill them, capture them and try to destroy their organization.

But in a sense, that's the easier part because that is the definable threat. The much bigger threat is the tens and hundreds of millions of young people and others in the Arab and Muslim world, people who have a deep set of grievances. They don't like their own governments. They don't like their educational and economic opportunities; they don't have many.

They have hostility toward us. They don't like American foreign policy. They have a very distorted view of what the United States is. They get it from Hollywood movies and sitcom reruns that run on their TV. They don't really understand what this country is all about and what we stand for. And as the Chair and Ranking Member have stated, we really have to deliver a message of hope to the people of the Arab and Muslim world, a message that we stand for opportunity, educational and economic opportunity, political participation, rule of law, tolerance; that we want for them what we have here.

Now, it is up to them to decide whether they want that and how to come and how to bring it about. But we believe that this is a more compelling vision, a vision of life and opportunity as opposed to the vision that bin Laden offers.

As Richard Holbrook told us,

“How come some guy in a cave can out-communicate the greatest communication society on Earth?”

As Deputy Secretary Armitage told us,

“We have got to stop exporting our fear and anger and export a message of hope and opportunity.”

And they are both right.

We have the message, we have the values. We simply have to find a way to bring that message across, because unless we can

persuade the tens of millions of sympathizers with bin Laden—who don't necessarily support violence, but who are sympathetic to the message he delivers—we are not going to win this war on terrorism.

So we need to engage all elements of the national power, and as I am speaking before this Committee, I do stress very much the importance of foreign policy diplomacy and public diplomacy.

And I will turn this over to my colleague, Susan Ginsburg, who will speak to border security issues.

Mr. SMITH OF NEW JERSEY. Thank you.

STATEMENT OF SUSAN GINSBURG, TEAM LEADER FOR BORDER SECURITY AND FOREIGN VISITORS, NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES

Ms. GINSBURG. Mr. Chairman and Ranking Member Menendez, thank you for the kind words.

It is an honor to appear before you and to represent the 9–11 Commissioners. You have asked me to discuss the Commission recommendations focused on constraining terrorist travel. I am very pleased to have that opportunity.

The Commission Report states that targeting terrorist travel is at least as powerful a weapon against terrorists as targeting their money. The Commission recommends that we combine terrorist travel intelligence, operations and law enforcement in a strategy to intercept terrorists, find terrorist travel facilitators and constrain terrorist mobility.

This is one of the Commission's more novel recommendations, so I would like first to point to some facts in the report that led us to it. Then I will provide some illustrations of what a strategy to contain terrorist mobility might begin to look like.

Arranging for travel to recruit, to meet, to case targets, to prepare attacks and to conduct attacks is the essential dimension of any terrorist entity. To plan and facilitate travel, al-Qaeda studied the visa policies and entry practices and immigration rules of various countries.

Al-Qaeda had an Office of Passports that, organizationally, was under its security committee. Its location was the Kandahar airport. Certain al-Qaeda members were charged with organizing passport collection schemes to keep the supply of fraudulent documents flowing. An operational mission training course was established to teach operatives how to forge documents. A key skill was to add or erase entry and exit stamps called "travel caches" from passports. Al-Qaeda operatives were taught to make adjustments in the field, including altering or removing visas, substituting photos and tearing out pages.

Among the 9/11 conspirators, Mohamed Atta and Zakariyah Essabar, who was denied a visa, were reported to have been trained in passport alteration. It was well known that if a Saudi traveled to Afghanistan via Pakistan, that on his return to Saudi Arabia, his passport—bearing a Pakistani stamp—would be confiscated. So operatives either erased the Pakistani visas from their passports or traveled through Iran, whose border inspectors were instructed not to place entry or exit stamps in the passports of al-Qaeda travelers.

The visa policies of various countries emerged as a factor early in the planning for the 9/11 attacks. For example, Khalid Shaikh Mohammed realized that two Yemenis who volunteered for suicide operations would not be able to obtain visas as easily as Saudis, particularly to the United States. So he decided to split the planes' operation—which became the 9/11 plots—into two components. One would be in the United States; the other would involve hijacking planes probably originating in Thailand, South Korea, Hong Kong and Malaysia, where Yemenis would be able to enter without visas. This part of the scheme was never carried out.

For two of the 9/11 operatives, the plan for travel to the United States was to use Yemeni documents to fly to Malaysia, then switch to using Saudi documents in order to conceal their earlier travel to Pakistan. One of the group had stamps added to make it appear as if he had traveled to Kuala Lumpur from Saudi Arabia via Dubai.

There are many other illustrations in the report of the methods al-Qaeda operatives used to travel clandestinely and conceal their terrorist activities, to study and exploit visa policies, and to manage entries and stays in countries without troublesome encounters with border and immigration authorities.

The United States Government did not have any organized effort to collect and analyze information on terrorist travel tactics between about 1992 and 2001. During the 1980s, the Government had made some effort to collect and analyze the travel documents of terrorists in groups such as the Beider-Meinhof group, the Red Brigades and Palestinian terrorist organizations. A booklet known as the Red Book was circulated to border authorities and airlines to help them spot terrorists by detecting their trademark documents. A training video was also used.

At least 200 terrorists were intercepted at border crossings, using this information. Through what was known as the Carrier Consultant Program, airlines received training and were able to spot thousands of false documents.

Based on our research, as you said, we concluded that at least four and as many as 15 of the hijackers carried passports that contained indicators of their terrorist affiliation. Unfortunately, neither visa nor border officers were trained to recognize these markings. Neither the intelligence community nor the law enforcement community had focused on them.

Al-Qaeda and its predecessors in the United States have used counterfeit and altered documents, cover stories and multiple aliases and name variations, tourist visas, student visas, marriage to citizens, agriculture worker visas, political asylum claims, among other tactics, to enter and stay in the United States. We can expect them to continue to probe and try other means—for instance, entries without inspection by land, sea and air and completely false identities—to defeat our developing biometric identification system. But use of false documents and terrorist travel facilitators will remain a core tool and one that creates vulnerabilities for terrorists.

This brings me to the Commission's recommendation concerning terrorist travel. It is a broad recommendation encompassing many

opportunities for effective action against terrorists. The specifics we present are no more than a starting point.

First, we recommend a much greater effort be made to integrate terrorist travel intelligence and to frontline border operations, including at consulates. All consular officers should receive some training and there should be dedicated specialists in this field at consulates who maintain ongoing linkages to terrorist travel analytic units in which State participates. This requires personnel with appropriate security clearances and a system to make more information available in an unclassified manner.

A much closer partnership needs to be built between the intelligence and consular communities. The airline carrier consultant program ought to be rebuilt. Technology to assist in false document detection should be used.

Second, we suggest a major effort against terrorist travel facilitators. While al-Qaeda has in-house experts, it also relies on these outside facilitators, as do other terrorist and criminal organizations. These are the major document forgers, human smugglers, corrupt border officials and travel agencies that assist terrorists in moving around. Disrupting them would create major problems for al-Qaeda.

They can be identified and brought to justice or be made the subject of intelligence cases. We need to have as much, or more, focus on them as we do on terrorist financiers and weapons traffickers. There is an existing effort against travel facilitators to build on.

The State Department has joined the Department of Justice and DHS in joint support of a relatively new human smuggling and trafficking center. I believe the center was originally proposed by the Bureau of International Narcotics and Law Enforcement Matters at State. Led by an Immigration and Customs enforcement agent, it develops information for use by law enforcement officials. After 9/11, its charter was revised to encompass terrorist travel facilitators.

The Committee should provide the center with additional support, confirm that it has a clear role in targeting terrorist travel facilitators and, above all, ensure that it is tied to operational resources at DHS, State and FBI. There is little point in developing information without dedicating the agents and intelligence officers to act on the information, including agents who travel or are posted abroad to work with foreign and international law enforcement organizations. Ultimately, this center should be linked with the National Counterterrorism Center that the Commission proposes.

The effort against terrorist travel facilitators must be global. Here again, there is a significant role for the State Department. It must work with international and regional organizations to raise global awareness, develop joint efforts with other countries and international law enforcement organizations and enforcement operations, and work with other governments, the United Nations and regional organizations to increase penalties for those who assist the travel of terrorists. New approaches, such as asset forfeiture for travel agencies assisting terrorists, should be explored. Efforts to reduce corruption by border officials are an important element of this effort.

Finally, we found that visa policy was a major consideration in al-Qaeda operation. As we work to respond to the terrorist threat by adjusting our own visa policies and processes, we need to work internationally to persuade other countries to better scrutinize travelers.

Today the U.S. national strategy to combat terrorism does not recognize the need or opportunity to disrupt terrorist mobility and intercept traveling terrorists globally or at our borders. The Commission believes that this should change. We think Congress has a vital role to play in that process and look forward to assisting you in that effort.

[The joint prepared statement of Mr. Kojm and Ms. Ginsburg follows:]

PREPARED STATEMENT OF CHRISTOPHER KOJM, DEPUTY EXECUTIVE DIRECTOR, AND SUSAN GINSBURG, TEAM LEADER FOR BORDER SECURITY AND FOREIGN VISITORS, NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES

Vice Chairman Smith, Ranking Member Menendez, distinguished members of the Committee on International Relations, it is an honor to appear before you. We thank you for the invitation to appear before this distinguished Committee to present the recommendations of the 9/11 Commission.

The Commissioners share a unity of purpose in support of the Commission's report. On their behalf, we call upon Congress and the administration to display the same spirit of bipartisanship as we seek to work with you to make our country and all Americans safer and more secure.

Today, we face a transnational threat. It respects no boundaries, and makes no distinction between foreign and domestic. The enemy is resourceful, flexible and disciplined.

We cannot succeed against terrorism by Islamist extremist groups unless we use all the elements of national power: military power, diplomacy, intelligence, covert action, law enforcement, economic policy, foreign aid, public diplomacy, and homeland defense. If we favor one tool while neglecting others, we leave ourselves vulnerable and weaken our national effort. This is not just our view: it is the view of all policymakers with whom we spoke.

We will address this morning three elements of policy to address the terrorist threat: foreign policy, public diplomacy, and border security.

FOREIGN POLICY

Terrorist Sanctuaries. In the past, our worries about national security emanated from a concern that a hostile power would gain control over the great industrial heartlands of Europe and East Asia. We worried about Nazi Germany, Imperial Japan, and the Soviet Union. Today our national security concerns arise not from the great centers of power, but from the far periphery. We worry about some of the most remote and impoverished locations on the planet, places where terrorists can find sanctuary.

We examined this problem in our final report in some detail. Our examination of terrorist sanctuaries follows logically from what we believe must be a fundamental goal of the United States Government: To build the capacities to prevent a 9/11-scale plot from succeeding. Those capacities would also be effective, we believe, against lesser attacks.

In considering how to prevent attacks, we posed the question: What are the elements of a complex, terrorist operation? We concluded that terrorist operations require:

- Time and space to develop the ability to perform competent planning and to assemble the people, money, and resources needed for the terrorist act;
- A relatively undisturbed area to recruit and train those who will carry out the operation;
- A logistics network;
- Access to materials needed to conduct a chemical, biological, radiological, or nuclear attack;
- Reliable communications; and
- Conditions in which the plan can be rehearsed and tested.

It is easiest for terrorists to carry out these activities in states with rugged terrain, weak governments, and low population density. In such places, terrorists can hide themselves, as well as their supplies and infrastructure. Thus, these characteristics provide a recipe for a terrorist sanctuary or haven.

Our report makes clear that, in the years before 9/11, Afghanistan offered all of these advantages to al Qaeda. Our staff traveled to that country and saw first hand the remote Kandahar region, where Usama bin Ladin ran his terrorist headquarters with the support of the Taliban, the regime then in control of most of Afghanistan.

While such remote regions of the world hold deep appeal to terrorists, it is important to understand that they are by no means the only places where terrorist sanctuaries can develop.

Before 9/11, al Qaeda moved freely in the relatively lax security environment in Western Europe, particularly in Germany where a 9/11 cell flourished in Hamburg. The 9/11 conspirators also used the United States itself as a staging area, traveling in and out of the country in the months leading up to 9/11, all the while using their real names with apparently no worries about operational security.

During the course of our investigation, we asked American and foreign government officials and military officers on the front lines fighting terrorists today the following question: If you were a terrorist today, where would you locate your base? The same places came up again and again on their lists:

- Western Pakistan and the Pakistan-Afghanistan border
- Southern or western Afghanistan
- The Arabian Peninsula, especially Saudi Arabia and Yemen, and the Horn of Africa, including Somalia and extending southwest into Kenya
- Southeast Asia from Thailand to the southern Philippines to Indonesia
- West Africa, including Niger and Mali
- European cities with expatriate Muslim communities, especially cities in central and eastern Europe where security forces and border controls are less effective
- Later in our report, we also make clear that Iraq would go to the top of the list as a terrorist sanctuary if it were to become a failed state

Our consensus view is that in the twenty-first century the United States should focus on remote regions and failed states. And so we made the following recommendation:

The U.S. government must identify and prioritize actual or potential terrorist sanctuaries, and develop a realistic strategy to keep possible terrorists insecure and on the run, using all elements of national power. We should reach out, listen to, and work with other countries that can help.

The areas that we have identified as current or potential sanctuaries encompass a great deal of territory. Inevitably U.S. leaders must decide which current and potential sanctuaries pose the greatest threat and then make hard choices about where to concentrate resources. Given the strong al Qaeda presence in Pakistan and Afghanistan, these countries are two obvious priorities for U.S. attention

Pakistan

Pakistan is a country plagued by poverty, illiteracy and corruption. The central government exerts little to no control over the Baluchistan region and the remote areas that border Afghanistan. With a population of 150 million Muslims, Pakistan is viewed by Islamic extremists as a country ripe for exploitation. Karachi, a city of nearly 15 million, has 859 religious madrassas teaching more than 200,000 youngsters, and creating a pool of Pakistanis vulnerable to extremists' messages of hate.

Pakistan has nuclear weapons and decades of hostility with its neighbor India. The Pakistani intelligence service had a history of supporting the Taliban. The Government of Pakistan is fragile and has made limited progress toward democracy.

Following 9/11, however, Pakistan's leader, Pervez Musharraf made a strategic decision to not stand in the way of U.S. action in Afghanistan. Pakistan also actively assisted the United States, arresting more than 500 al Qaeda and Taliban operatives. Following assassination attempts against him by Islamist extremists, Musharraf took even bolder action in late 2003 and early 2004, ordering Pakistan troops to battle al Qaeda and Taliban elements in Pakistan's border areas.

Thus, we recommend that if Musharraf stands for enlightened moderation in a fight for his life and for the life of his country, the United States should be willing to make hard choices too, and make the difficult long-term commitment to the future of Pakistan. Sustaining the current scale of aid to Pakistan, the United States should support Pakistan's government in its struggle against extremists. This

should include a comprehensive effort that extends from military aid to support for better education, so long as Pakistani leaders remain willing to make difficult choices of their own.

Afghanistan

Afghanistan was the incubator for al Qaeda and the 9/11 attacks. The Taliban regime provided protection for Bin Ladin and his organization. Following 9/11, the U.S.-led international coalition drove the Taliban from power and killed or captured many al Qaeda leaders, and deprived al Qaeda of its Afghanistan safe haven.

Currently, the United States has more than 10,000 troops in Afghanistan. Despite this presence and that of coalition forces, the Taliban and al Qaeda are attempting a resurgence. Moreover, regional warlords continue to challenge the government of Hamid Karzai.

We recommend that the United States make a long-term commitment to establishing a secure and stable Afghanistan, in order to give the government a reasonable opportunity to improve the life of the Afghan people. Afghanistan must not again become a sanctuary for international crime and terrorism.

We also recommend that NATO increase its role in Afghanistan. The U.S. and NATO allies are building an Afghan National Army and these efforts should be given strong support.

Finally, we recommend that the United States and the international community help the Afghan government extend its authority over the country.

Saudi Arabia

Saudi Arabia presents a special case. Our report describes Saudi Arabia as a “problematic ally.” The Saudi government cooperated with the United States before 9/11. At our request Saudi Arabia sent a high-level emissary to Afghanistan to pressure Mullah Omar to give up Bin Ladin. At the same time, however, al Qaeda raised money from Saudi benefactors. Fifteen of the 19 hijackers were Saudis.

After the al Qaeda attacks in Saudi Arabia on May 12, 2003, the Saudi government appears to fully understand the danger posed by terrorism.

Many Americans see Saudi Arabia as an enemy, not as an embattled ally. Americans are appalled by the intolerance, anti-Semitism, and anti-American arguments taught in schools and preached in Mosques. Many Saudis, on the other hand, now perceive the United States as an unfriendly nation.

We believe that the United States and Saudi Arabia must confront the problems in their bilateral relationship openly. The United States and Saudi Arabia must determine if they can build a relationship that political leaders on both sides are prepared to publicly defend—a relationship about more than oil. This should include a shared interest in greater tolerance and cultural respect, a shared commitment to political and economic reform, and a shared commitment to fight the violent extremists who foment hatred.

Yemen

Yemen, too, fits exactly the description of a terrorist sanctuary. It has a weak central government, with vast stretches of wild, desolate territory that are unpoliced.

Yemen is a painful example of the need for a strong U.S. effort to help other countries improve their counterterrorism capacity. The Yemeni government must be able to identify and attack terrorists throughout the country, which in turn requires U.S. support for their intelligence gathering and processing efforts as well as their police and military units. In addition, the government must be able to persuade or coerce local tribal chiefs and sheikhs who may protect small groups of radicals.

Hand-in-hand with this effort should be a U.S. campaign to gain the goodwill of Yemenis and to build up Yemeni institutions. A stronger, more effective government will be able to induce local leaders to cooperate more effectively, thus gaining the government vital local allies. However, creating a stronger security service alone with no corresponding increase in good governance in Yemen will not dampen backing for terrorism in the long-term. It would only foster the impression that the United States champions tyranny over freedom.

Yemen is also home to several religious schools that promote a vision of the United States as hostile and opposed to Islam. Investing in schools would both demonstrate U.S. goodwill and strengthen more tolerant voices in Yemen. This is particularly important, as the terrorists often can recruit or operate freely at the local level because of widespread hostility to the United States. We are engaged in a generational struggle for the hearts and minds of the Muslim world. We want young people to choose the path of modernity and tolerance.

Yemen is one example but there are many others—including Tajikistan, Indonesia, Kenya, and the Philippines. These are countries hostile to al Qaeda but not able to control their own territory sufficiently to stop terrorists from acting. These

countries—victim countries—should be bolstered whenever possible. In the short term, this involves aid to the security services and military. Over time, it should involve *state*-building (not nation building)—helping the country increase its ability to provide its citizens with educational and economic opportunity, and greater political participation.

PUBLIC DIPLOMACY

The small percentage of Muslims who are fully committed to Usama Bin Ladin's version of Islam are impervious to persuasion. It is among the large majority of Arabs and Muslims that we must encourage reform freedom, democracy and opportunity, even though our own promotion of these messages is limited in its effectiveness simply because we are its carriers.

In short the United States has to help defeat an ideology, not just a group of people, and we must do so under difficult circumstances.

The United States must define its message, and what it stands for. We should offer an example of moral leadership in the world. American and Muslim friends can agree on respect for human dignity and opportunity. If we heed the views of thoughtful leaders in the Arab and Muslim world, a moderate consensus can be found.

That vision of the future should stress life over death: individual educational and economic opportunity. This vision includes widespread political participation and contempt for indiscriminate violence. It includes respect for the rule of law, openness in discussing differences, and tolerance for opposing points of view.

We need to defend our ideals abroad vigorously. If the United States does not act aggressively to define itself in the Islamic world, the extremists will gladly do the job for us.

- Arab and Muslim audiences rely on satellite television and radio, and the government has begun some promising initiatives with both. These efforts are beginning to reach large audiences. The Broadcasting Board of Governors has asked for much larger resources. It should get them.
- The United States should rebuild the scholarship, exchange, and library programs that reach out to young people and offer them knowledge and hope. Where such assistance is provided, it should be identified as coming from the citizens of the United States.

An Agenda of Opportunity—Education

The United States and its friends need to stress educational opportunity in the Arab and Islamic world. We should:

- Work to cut the Middle East's illiteracy rate in half by 2010, targeting women and girls and supporting programs for adult literacy;
- Support the basics, such as textbooks that translate more of the world's knowledge into local languages and libraries to house such materials. Education about the outside world, or other cultures, is weak; and
- Support more vocational education is needed, in trades and business skills. The Middle East can also benefit from programs to bridge the digital divide and increase internet access.

We should offer to join with other nations in generously supporting a new International Youth Opportunity Fund. Funds would be spent directly for building and operating primary and secondary schools in those Muslim states that commit to sensibly investing their own money in public education.

An Agenda for Opportunity—Economics

Economic openness is essential. Terrorism is not caused by poverty. Indeed, many terrorists come from well-off families. Yet when people lose hope, when societies break down, when countries fragment, the breeding grounds for terrorism are created. Backward economic policies and repressive political regimes slip into societies that are without hope, where ambition and passions have no constructive outlet.

- Policies that support economic development and reform also support political freedom.
- International commerce requires ongoing cooperation and compromise, the exchange of ideas across cultures, and the peaceful resolution of differences.
- Economic growth expands the middle class, a constituency for further reform.
- Vibrant private sectors have an interest in curbing government power;

- Those who control their own economic destiny soon desire a voice in their own communities and societies.

Therefore, the Commission recommends a comprehensive U.S. strategy to counter terrorism, including economic policies that encourage development, open societies, and opportunities for people to improve the lives of their families and enhance prospects for their children's future.

BORDER SECURITY

As our Report makes clear, in the decade before 9/11, border security was not seen as a national security matter. From a strategic perspective, border policy focused on counternarcotics efforts, illegal immigration, and, more recently, the smuggling of weapons of mass destruction. Our government simply did not exhibit a comparable level of concern about terrorists' ability to enter and stay in the United States.

During that same period, however, al Qaeda studied how to exploit gaps and weaknesses in the passport, visa, and entry systems of the United States and other countries. Al Qaeda actually set up its own passport office in Kandahar and developed working relationships with travel facilitators—travel agents (witting or unwitting), document forgers, and corrupt government officials.

- More robust enforcement of routine immigration laws, supported by better information, might have made a difference in stopping the hijackers.
- Had information been shared and the terrorists been watchlisted, border authorities could have intercepted up to three of the hijackers.
- Two hijackers made statements on their visa applications that could have been shown to be false by U.S. government records available to consular officers.
- Many of the hijackers lied about their employment or educational status.
- Two hijackers could have been denied admission at the port of entry based on violations of immigration rules governing terms of admission.
- Three hijackers violated the immigration laws after entry, one by failing to enroll in school as declared, and two by overstays of their terms of admission.
- Although the intelligence as to their tactics was not developed at the time, examining their passports could have allowed authorities to detect from four to 15 hijackers

Neither the intelligence community, nor the border security agencies or the FBI, had programs in place to analyze and act upon intelligence about terrorist travel tactics—how they obtained passports, made travel arrangements, and subverted national laws and processes governing entry and stays in foreign countries.

Congress during the 1990s took some steps to provide better information to immigration officials by legislating requirements for a foreign student information system and an entry-exit system. As we know, these programs were not successfully completed before 9/11.

Since 9/11, some important steps have been taken to strengthen our border security. The Department of Homeland Security has been established, combining the resources of the former Immigration and Naturalization Service and the Customs Bureau into new agencies to protect our borders and to enforce the immigration laws within the United States. The visa process and the terrorist watchlist system have been strengthened. DHS has begun to implement, through the US VISIT program, a biometric screening system for use at the border.

Targeting Terrorist Travel

These efforts have made us safer, but not safe enough. As a nation we have not yet fully absorbed the lessons of 9/11 with respect to border security. The need to travel makes terrorists vulnerable. They must leave safe havens, travel clandestinely, and use evasive techniques, from altered travel documents to lies and cover stories. Terrorist entry often can be prevented and terrorist travel can be constrained by acting on this knowledge. Targeting terrorist travel is at least as powerful a weapon against terrorists as targeting their finances.

The Commission therefore has recommended that we combine terrorist travel intelligence, operations, and law enforcement in a strategy to intercept terrorists, find terrorist travel facilitators, and constrain terrorist mobility.

Front line border agencies must not only obtain from the Intelligence Community, on a real-time basis, information on terrorists, they must also assist in collecting it. Consular officers and immigration inspectors, after all, are the people who encounter travelers and their documents.

Specialists must be developed and deployed in consulates and at the border to detect terrorists through their travel practices, including their documents. Technology has a vital role to play. Three years after 9/11 it is more than time for border officials to integrate into their operations terrorist travel indicators that have been developed by the intelligence community. The intelligence community and the border security community have not been close partners in the past. This must change.

We also need an operational program to target terrorist travel facilitators—forgers, human smugglers, travel agencies, and corrupt border officials. Some may be found here, but most will be found abroad. Disrupting them would seriously constrain terrorist mobility. While there have been some successes in this area, intelligence far outstrips action. This should be rectified by providing the interagency mandate and the necessary resources to Homeland Security's enforcement arm, Immigration and Customs Enforcement (ICE), and other relevant agencies, including the FBI.

This problem illustrates the need for a National Counterterrorism Center. Investigations of travel facilitators invariably raise complicated questions: Should a particular travel facilitator be arrested or should he be the subject of continued intelligence operations? In which country should he be arrested? A National Counterterrorism Center is needed to bring the numerous agencies to the table to decide on the right course of action.

Screening Systems

To provide better information to our consular officers and immigration inspectors, the government must accelerate its efforts to build a biometric entry and exit screening system. This is an area in which Congress has been active since the mid-1990s. It has been a frustrating journey.

Congress first created an entry-exit system in 1996, to increase compliance with our immigration laws. It was not associated with counterterrorism, or with biometric identification. As a practical matter, the entry-exit effort was not seriously funded until the end of 2002. By that time, aspects of a system were directed by four separate laws. The establishment of the Department of Homeland Security then changed the organizational context for implementing those laws.

The new Department is emerging from its difficult start-up period and is, we believe, poised to move forward to implement Congress's mandates in this area. We would like to stress four principles that we believe must guide our efforts in this arena.

First, the U.S. border security system is effectively a part of a larger network of screening points that includes our transportation system and access to vital facilities, such as nuclear reactors. The Department of Homeland Security should lead an effort to design a comprehensive screening system, addressing common problems and setting common standards with system-wide goals in mind.

Second, a biometric entry and exit screening system is fundamental to intercepting terrorists and its development should be accelerated. Each element of the system is important. The biometric identifier makes it difficult to defeat a watchlist by a slight alteration in spelling of a name, a technique relied upon by terrorists. The screening system enables border officials access to all relevant information about a traveler, in order to assess the risk they may pose. Exit information allows authorities to know if a suspect individual has left the country and to establish compliance with immigration laws.

Third, United States citizens should not be exempt from carrying biometric passports or otherwise enabling their identities to be securely verified. Nor should Canadians or Mexicans.

Fourth, there should be a program to speed known travelers, so inspectors can focus on those travelers who might present greater risks. This is especially important for border communities.

We believe that the schedule for completion of this biometric entry-exit screening system should be accelerated to the extent feasible. This will require additional annual funding, and a mandate to a central organizational authority, such as the US VISIT office, to manage the effort.

International Collaboration

We need much greater collaboration with foreign governments on border security. This means more exchange of information about terrorists and passports, and improved global passport design standards. Implicit in this recommendation is continued close cooperation with Mexico and Canada. It is particularly important to improve screening efforts prior to departure from foreign airports, especially in countries participating in the visa waiver program.

Immigration Law and Enforcement

We must be able to monitor and respond to entries along our long borders with Canada and Mexico, working with those countries as much as possible. Our law enforcement system ought to send a message of welcome, tolerance, and justice to members of the immigrant communities in the United States. Good immigration services are one way to reach out that is valuable, including for intelligence. State and local law enforcement agencies need more training and partnerships with federal agencies so they can cooperate more effectively with those federal authorities in identifying terrorist suspects.

Finally, secure identification should begin in the United States. We believe that the federal government should set standards for the issuance of birth certificates and sources of identification such as drivers' licenses.

The agenda on immigration and border control, then, is multi-faceted and vital to our national security. The bottom line is that our visa and border control systems must become an integral part of our counterterrorism intelligence system. We must steer a course that remains true to our commitment to an open society and that welcomes legitimate immigrants and refugees, while concentrating our resources on identification of potential terrorists and prevention of their entry into the United States.

We would be pleased to respond to your questions.

Mr. SMITH OF NEW JERSEY. Ms. Ginsburg, thank you very much for your testimony, and you as well, Mr. Kojm.

Just to begin the questioning, Mr. Kojm, you made a very persuasive case, I think, on the need for dialogue, enhanced dialogue among countries in the Middle East—Muslims, I guess, in general, but especially the countries of the Middle East and the United States and Western countries as well.

One of the things that I have looked at for years—and I am not alone in this—has been the applicability of the Helsinki process. As I think you know, I chair the Commission on Security and Cooperation in Europe, which is comprised of 55 countries that have agreed to the Helsinki Final Act signed in 1975, which has a large number of mutually reinforcing baskets, three baskets in the areas of human rights, trade and security. That has been one of the most important living documents.

In the worst days of the Soviet Union, as you know, and when the Warsaw Pact loomed as an ominous threat, this was a way of getting political prisoners out of engaging eyeball to eyeball, foreign minister to foreign minister, parliamentarian to parliamentarian, and in every other way with these countries; and it was a learning experience. And many of the people who spent time in the gulags in the Soviet Union and elsewhere, including Sharansky and others, will tell you the Helsinki process was key to democracy building and human rights observance.

I held a hearing June 15, just on the Middle East, entitled "The Middle East: Would the Helsinki Process Apply?" And we heard from Ambassadors—Max Kampelman, a very distinguished Ambassador, Mark Palmer, and many others including Nathan Sharansky from Israel, a former political prisoner, to talk about whether or not this would apply.

I was wondering if the Commission looked at that model. We do have Mediterranean partners right now with whom we interface. Five countries of the Middle East routinely meet with parliamentarians, and their foreign ministers meet with the Europeans, and us, and with Canadian counterparts, and it has been a fruitful—but I don't think much of a utilized—venue for us to promote this dialogue.

You know, we need to start talking in the same terms about what human rights are. Certainly the Universal Declaration of Human Rights speaks to the universality of those rights. But other people can look at it and somehow go off on a tangent when there is—you know, we can learn from each other. This could be like a mirror and also can promote, I think, some understanding.

What is your view on the old Helsinki process being applied and perhaps some of these countries, if not all, being incorporated into the Helsinki venue?

Mr. KOJM. Mr. Chairman, thank you for the question.

We very much consciously considered the Helsinki process model. Now, in the final text of the report we don't draw that analogy explicitly, but I can assure you that it did animate our discussions. The comparison is a very apt one because we are talking about a similar concern. It is trying to change societies and mind-sets over, frankly, a very long period of time. And the process, as you well know, was very frustrating and there were many steps backward. Well, fortunately, more forward than backward, but a lot backward in the interim.

The concept is a sound one because you get beyond government-to-government dialogue about foreign policy in the Helsinki process to dialogue about trade and human rights. We frankly would like to see even more discussion: Not just of trade, but of economic reform; not just human rights, but methods of political participation and creating and strengthening civil societies.

So I think the example is a superb one for animating what we hope will be a relationship between the West and the Arab and Muslim world.

Mr. SMITH OF NEW JERSEY. Appreciate that.

Let me ask you, Ms. Ginsburg, on the issue of visas—and I appreciate your testimony and the good work contained within this document—the point is made that there are weaknesses, systemic weaknesses. Some have been reduced. They are far from being overcome, as you say in the document. You talk about the watchlist and many other good things.

It seems to me, from hearings we have had and from work that we have done on the Committee, that one of our potential Achilles heels remains the visa waiver program. Some 27 countries are included in that. Approximately 50 million people per year are able to access the United States without going through the vigorous or rigorous protocol of a visa.

Henry Hyde just recently wrote a letter to Secretary of State Colin Powell on June 30 where he has asked—it is his recommendation, and we certainly concur—that the visa waiver program be reviewed for continued participation by select countries, that a policy be considered that would require ineligible countries' participation in the Interpol stolen visa travel document database, because that is a major problem and this Committee has recently held a hearing on that as well—it seems to me that that is the minimum. But the visa waiver program seeking the laudable goal of allowing the free and unfettered access of people among select countries to visit family and relatives for recreational purposes can be easily exploited by would-be terrorists.

How do you respond to that?

Ms. GINSBURG. Well, we think the decision to include visa waiver travelers in the USVISIT program is a good one. The visa waiver program reviews are also important and need to be taken seriously.

With respect to the lost and stolen passport participation, I am not that familiar with the very critical details of how Interpol has set up its interconnectivity, so I don't know what ability there is now technologically to fully participate in access to those databases. I know that is something that is still being developed in this country. But certainly, access to lost and stolen information is very critical for all of us.

We know that intelligence indicates that al-Qaeda has access to European passports. And that is one of the reasons why we say developing terrorist travel intelligence and training immigration officials is so important. We also suggest in the report that we should think about more passenger screening overseas, and I think that that is an area where improvement can be made. And one of the things we might work on is more robust international arrangements for doing that on a reciprocal basis.

Mr. SMITH OF NEW JERSEY. Do you have a very specific idea of what that would look like?

Ms. GINSBURG. There are a number of different available models that we can discuss.

Mr. SMITH OF NEW JERSEY. If you could, make that a part of the record for this Committee's consideration.

Let me just ask one other question before I yield to my colleagues, on the issue of human trafficking. One of the issues that I have worked on, along with a bipartisan group of colleagues, has been to hopefully end the scourge of human slavery. As a matter of fact, I wrote the Trafficking Victims Protection Act in 2000. President Bush signed it again in 2003, an expansion, and what we have discovered is that organized crime has literally made tens of billions of dollars over the last several years. And it is number three, after weapons—drugs first, weapons second, human trafficking is third, mostly for forced prostitution; and I was wondering if the Commission looked as to whether or not any or some of this money may have found its way into the nefarious enterprise called terrorism.

We know that they get money from narcoterrorists. Money is gotten from weapons sale. Has that been looked at?

Ms. GINSBURG. I don't know that we looked at whether some of the profits from human trafficking have made their way to terrorist organizations. But certainly one of the things we are saying about the center that has been set up to develop information about the human trafficking network is that those networks criss-cross with the terrorists' travel facilitators as well, so some of those networks that move human beings for work purposes or other purposes are also moving terrorists. And so the efforts against those criminal organizations are also relevant for attacking terrorism.

Mr. SMITH OF NEW JERSEY. I would just say finally, before I yield to Mr. Menendez, that when we were writing that legislation that was signed in the year 2000 by President Clinton, there was an enormous amount of push-back from the State Department then, naming names and admonishing countries, holding nonhumanitarian foreign aid as the lever to try to get them to live up to a

standard where traffickers are prosecuted and the women who are exploited are treated for what they are, victims—enormous amount of push-back. But we have found now, since it has been implemented—and the fourth report was recently issued in June—it has been, I think, a total or as close to a total success as you could come in using a smart sanction.

I raise this because one of the things in this Commission—it suggests that the change in the reform in the Muslim countries, the Arab countries, really needs to come from within. While I agree with that, I think it perhaps sells short the importance of very strong, consistent standards being put forward. It is not a matter of lecturing. It is a matter of saying, these are universally recognized standards. And certainly the people in the Arab world are deserving of democracy, they have a democracy deficit; and it seems to me that, you know, we sell short our ability perhaps to foment positive, constructive change as we are seeing. The trafficking changes we have seen in laws, legislation, including in the Muslim world, have been breathtaking. Numbers of countries have passed sweeping statutes to crack down on traffickers of human persons, which they had not had. It is because we said, “We mean business; we are not kidding.”

So I would just say, in terms of tone, I think we can be very assertive, not always worrying about the backlash as long as we are sincere and honest and transparent and say, “Your people deserve democracy and basic fundamental human rights.”

Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

And let me thank both of you for your service as well as your testimony.

Mr. Kojm, let me ask you this. If Tom Kean and/or Lee Hamilton were the Secretary of State and were implementing the Commission’s report, could you tell us with some degree of specificity what would be the items that you would want to see, or they would want to see, on behalf of the Commission? What would they have the State Department do that is not necessarily right now being done or that could be done better?

Mr. KOJM. Well, Mr. Menendez—

Mr. MENENDEZ. It is your moment to be the Secretary of State, so that doesn’t come often in our lifetimes.

Mr. KOJM. It is at some peril that I venture an answer in this regard.

I think there are a few points that are worth making. One is the importance of the tools for the conduct of diplomacy and public diplomacy. We would certainly include strong foreign assistance programs and the ability to move funds flexibly on behalf of all the things that we have been talking about, education, and the ability to move funds in the field quickly for purposes such as repairing schools, building roads, drilling wells for water—things that really make a difference at the local level. The ability to have those funds and to use them flexibly, I think, would be very important for the effectiveness of U.S. policy in any country where we are trying to deal with terrorism or to get a government’s cooperation to flush out terrorist sanctuaries.

I think a second point would be the importance really of continuous engagement with key partners in Afghanistan, Pakistan, Saudi Arabia. Those are the three countries we identify. Now any Secretary of State has huge requirements on his or her time and all kinds of competing priorities. But if we don't get the relationship with those three countries right—and they all have posed very tough questions for us—we are not going to win this war. We will be headed in the wrong direction.

I will stop right there. There is so much to be done.

Mr. MENENDEZ. Let me ask you this, moving to the Commission's comments about the terrorist sanctuaries—and I agree that eliminating terrorist sanctuaries is clearly a key to winning these efforts, but I am concerned about our policy in Afghanistan. When we entered the war in Iraq, our attention, funding and troops largely shifted from Afghanistan. Right now, as they prepare for elections in October, much of the country is controlled by warlords who are sometimes at odds with the central government. NATO countries haven't met their commitments with troops and funding. The Taliban has threatened those registering to vote. Al-Qaeda is still involved in an insurgency.

The Commission calls for a redoubled effort in Afghanistan. Could you share with the Committee with greater specificity what that means? Would you suggest renewing the Afghanistan Freedom Support Act? Is it a question of further aid? Are NATO and our allies capable of enhancing our capabilities on the ground? Does that flexibility that you talked about before in a more generic sense in terms of U.S. assistance, does that need to be reallocated? What is not working?

Mr. KOJM. Thank you for the question, because it does address directly a central recommendation. Maybe I was too telegraphic in my previous response about the importance of Afghanistan as a priority, but what you have spelled out is exactly the nature of the problem that we must address. Afghanistan is where it all started. There would be no 9/11 plot without the sanctuary that Afghanistan provided. The Taliban is still present. It is not in power, but it has forces, it has supporters, it still represents a threat to the security and stability of the Karzai Government.

We cannot succeed in Afghanistan if we simply have stability in Kabul. And it is a very tough question of extending stability and security for all the reasons you outlined—warlords, return of opium growing and the drug trade, vast poverty, poor infrastructure nationwide. This is not an easy challenge, but unless you commit the political priority and the resources—and you are right—not just by the United States but in partnership with NATO governments and others who wish to join us, we are not going to get this done.

There is much historical precedent for the attention of the United States to a key problem internationally for a short period of time. And once that attention wanes or drifts elsewhere, you are in a world of hurt if you don't keep focused on the central problem—which we believe is still Afghanistan.

Mr. MENENDEZ. Let me ask you a question continuing with terrorist sanctuaries. The Commission makes it clear that President Musharraf is our best bet in Pakistan, or at least it seems to me that is a proper phrase. You can disagree with me when you have

the opportunity. It noted he is himself threatened by extremists in his own country and that we should sustain aid to Pakistan. Yet, as you know—I am sure the Commission does as well—Musharraf pardoned A.Q. Khan who was running a nuclear supermarket for the world, has maintained only a semblance of real democracy and picks and chooses when to crack down on al-Qaeda on the border.

Now the President has pledged to work with Congress to put together a 5-year, \$3 billion aid package for Pakistan starting in 2005. And the Commission, as I understand it from the reading, believes we should continue aid to Pakistan as long as President Musharraf commits to a policy of “enlightened moderation.” My question: The Commission makes that recommendation, how does the United States preserve stability in Pakistan while at the same time encouraging Democratic change in Pakistan? Does the Commission have any sense of the amount of aid that we should be giving? Do they believe that aid should be conditioned?

A lot of people talk about economic versus military aid. The President is proposing a 50–50 split. How do we avoid sending a signal that for so long as President Musharraf occasionally calls up an al-Qaeda terrorist that we basically look the other way on the broader questions of terrorists and proliferation activities in his country?

That to me is the conundrum that the Commission presents when it says it is our best bet and we should continue to engage.

Mr. KOJM. Mr. Menendez, you have encapsulated the nature of the debate that the Commission had. This is a very difficult problem, and it took the Commission a long time to come to the judgment it did.

As you have outlined, we have huge interest in Pakistan: Non-proliferation, we want them to move toward democracy, and we want them to help out on terrorism. Certainly, on the first two, we don’t have a great record. We don’t have the kind of progress by any stretch of the imagination that we believe we need. At the same time, the war on terrorism at the moment is the number one national security threat today to our country, and Pakistan’s cooperation is essential. Now we have to balance all these things.

The Commission believes strongly you don’t give President Musharraf a blank check. On the other hand, the Commission decided not to endorse explicit conditionality on assistance. This is a process where it really is a question of diplomacy and nuance; and, frankly, this is right up the alley for the State Department managing this kind of relationship that has multiple facets, some of which are moving in the right direction, but all of them are not. Surely it is in our interest that this Government with all the problems you and I have identified stay in place at this time.

We, of course, want elections, but we do not want to see President Musharraf replaced by some kind of Islamic radical government. So this relationship is highly complex and often problematic. For this reason I get back to my previous answer, it has to be on the agenda of the Secretary of State right now all the time. It can’t be handed off to someone else. Presidential leadership is needed here as well.

Mr. SMITH OF NEW JERSEY. Chairman Leach.

Mr. LEACH. Mr. Kojm, what motivated the attack?

Mr. KOJM. I am not sure we can point to any single causality. I think we are looking at a program that bin Laden and al-Qaeda had developed since 1989 of increasingly expanded operations, as they called them, against both the domestic enemy, meaning regimes in the Arab world, but also against the foreign enemy, the United States. And, over time, al-Qaeda developed increasing capability, more ambitious plans and, as we know, they were patient and very disciplined in their organization. The motivation extends from a long-standing agenda that is part political, part religious, but without question motivated by the very strong personal leadership of bin Laden. So there is no single answer.

Mr. LEACH. I address this because I am not sure your report is as strong on the motivations as it could be and, under the assumption you have to know your enemy as well as yourself, I think more thinking needs to be done.

The second point I would like to raise here is that there is an issue of processes and an issue of policy. Your report puts a great deal of emphasis on processes. As an individual Member, I am willing to accept your recommendations pretty much across the board. Policies are a different matter. And the policies you have highlighted are very reasonable. But if you talk to anyone about the United States' role in the Middle East and its role in the world, the number one and the number two policies that matter relate to war and peace, war and peace between the Israelis and the Palestinians and the war we are engaged in.

On any spectrum, our processes today are spectacularly stronger than they were at the time of 9/11. At the same token, it is not at all clear that we are safer than we were on the date of 9/11 because of policies.

One of the questions on policies is, Have we been applying on a consistent basis timely efforts to resolve the policy on the Israeli-Palestinian issue? As we look at the 1990s, were we consistent? And, secondly, on war and peace, is occupation a good idea or a bad idea? Does that increase or decrease the idea or the prospect that motivations against us will accelerate? And we have a minor footnote occupation issue, although occupation is too strong a term to use, with the whole substance of having over 5,000 troops in Saudi Arabia for a long period after the Gulf War. And that, in terms of some, is one of the motivations. Fifteen of the nineteen attackers were Saudi.

The question I raise is, Does the Commission have any recommendations on the war and peace issue? Because, in terms of policies, those two policies are so much more significant than all of the other policies and all of the processes that the Commission Report addresses.

Mr. KOJM. Thank you, Mr. Leach.

The mandate of the Commission was explicit. It did not include Iraq. It did not include the words "Arab-Israeli conflict," did not include the word "Palestinians." We had a lot of issues to take on, a lot of hard issues, as you know. The Commission was not looking for additional issues to take on.

Let me say the Commission has not been unmindful, to say the least, of what you speak about here; and we do speak about it in chapter 12. It really does make a very important difference to the

success of our efforts against terrorism as to what happens in Iraq and what happens with the Arabs and Israel. They influence public opinion significantly. And if we are not successful in the war on terrorism, neither Israel nor Iraq will be safer.

So my point here is that we do not have explicit recommendations on either question, but it is also clear that success in resolving these questions will be very important to the future of American policy with respect to terrorism and with respect to American policy in the Middle East.

Mr. LEACH. Let me just conclude. In America, process is the most important part in the political sense, and the Commission has made some decent recommendations on how you rearrange the deck chairs, and it has also made a few decent recommendations on process issues in international affairs. But I do not think that there should be any misleading of us that full adoption of this report, which I generally support, is anything but of marginal significance compared to the policy issues that are of much more significance.

I thank you for what you have done, and I don't think the policy debate can be ducked. If the issue is the national security of the United States and security of our allies in the region, we are going to have to address policy; and there is no substitute for good policy. Public diplomacy is of meaningless significance unless the policy that it is backing up is credible. Thank you.

Mr. SMITH OF NEW JERSEY. Chair recognizes the gentleman from California, Mr. Sherman.

Mr. SHERMAN. Let me start by commending Mr. Menendez for the specific policy ideas that he put forward in his opening statement. When he comes back, you will tell him I went on and on and commended him profusely, but let me move on.

I want to commend the Commission for something that it did not do and that is, it did not suggest that we somehow try to placate al-Qaeda in the hopes that al-Qaeda and its followers would hate us less. Even if the United States abandoned its position and its friends in the Middle East, we are still going to be al-Qaeda's number one target because we exemplify on a grand scale a culture which competes successfully with the Taliban ideology. The U.S. cannot appease bin Laden. We can only whet his appetite. Because, if we gave him everything he says he wants, he would simply demand more, flushed with a sense of victory unless we were prepared to agree and the Taliban policies would prevail everywhere.

So I thank the Commission for telling us how to win the war on terrorism, rather than outlining how we can retreat.

I would like to pick up on Mr. Leach's comments, policy versus process. Because if you read the press about the Commission Report, you come away thinking that it is all about changing the organization chart of the Federal Government and really just changing the organization chart of the intelligence community. Perhaps Mr. Kojm could help me with this. Because I read chapter 13 with its specific organization chart recommendations, but chapter 12 sets forth policy goals. These include denying sanctuary to terrorists, the need to fight the war of ideas in the Muslim world, increased efforts to deal with the proliferation of nuclear weapons, and the use of America's economic power to achieve these goals.

Then you get to chapter 13 and you see what Porter Goss's new job description should be and who his boss should be.

Let us say we fully implement every idea down to the letter that the Commission has recommended with regard to the structure of the U.S. Government, and then we ignored all of the policy recommendations and pretty much kept following the same policies, but we had a different—obviously, we have a different organizational chart for our intelligence community. Would you regard that as pretty much a substantial implementation of the Commission's recommendations, or as basically a failure to implement the recommendations of the Commission?

Mr. KOJM. Mr. Sherman, first, thank you for the question. Your concerns are the same as our concerns. There is ample interest in Washington in who is up, who is down, who has got money and who has what power. These questions are not unimportant, but we are pleased to have the opportunity to testify before this Committee on many other aspects of the Commission's report.

To address your question bluntly, if we implemented the structural changes and did that alone, we would have failed. We would have not made America safer or more secure. We believe strongly that we need the package of recommendations across the board, comprising every aspect of our mandate. And that is aviation security, border security, as my colleague Susan has discussed, changes in foreign policy, public diplomacy, homeland defense, emergency response. We need all these recommendations.

Now, look, we are not tied to every word. If there are better ideas, and surely there are, that can emerge from this institution or elsewhere, we welcome them. But we believe an approach must be a comprehensive one. Moving the boxes alone means failure.

Mr. SHERMAN. Thank you very much for that answer. And I want to thank two of the Commissioners for coming out to Los Angeles for the field hearings that our Subcommittee did that began to focus on the policy recommendations. I think these hearings as well will perhaps get the public to realize there is more in the report than an organization chart.

Ms. Ginsburg, unfortunately—and I will be dealing with the State Department witnesses on this—we seem to be acquiescing on a nuclear North Korea and nuclear Iran. Now whether we are or not, there is still significant risk that those two countries are going to get nuclear weapons. And then the question is, Should we acquiesce on the theory that we can prevent those weapons from getting into the United States?

There are three ways that they can get in that I can think of: ICBMs, that is to say intercontinental ballistic missiles, come in through our borders or our coast; and you have focused on our borders and our coast. We already had a border defense system that caught one out of 20 of the hijackers—or it didn't catch him but prevented him from coming in. But we are just dealing with al-Qaeda, which is sophisticated for a terrorist organization, probably the most sophisticated organization being run out of a cave. And I realize they had more than that in Afghanistan, but they were never a state. And even if they were a state, Afghanistan was never much of a state.

Imagine a country so sophisticated that it can build an intercontinental ballistic missile and all the precision that it involves and then turn that precision to perhaps have a speedboat drop off of a freighter going from Malaysia to Tijuana, or sneak a nuclear weapon across the border of the United States. Imagine a state that had diplomatic pouches going into Ottawa and Mexico City and the U.N. headquarters any time they wanted. Is it realistic for us to think that we could have such an airtight border that we could prevent a nuclear weapon the size of a person from being smuggled into the United States or sent on our coastal waters on a speedboat from a freighter? Or should we instead say that if a state is sophisticated enough to build an ICBM and has nuclear weapons, we are probably not going to be able to stop them from smuggling into the United States?

Ms. GINSBURG. I think that the general view is we are not going to be able to stop all incidents of terrorism merely by our border controls. That is why the report has a whole array of recommendations, including a major thrust on nonproliferation. Nevertheless, we do think the border controls can be strengthened and ought to be strengthened through building a very layered system that looks at all these opportunities and tries to reduce our vulnerabilities.

Mr. SHERMAN. Obviously, we need those controls to deal with the enemies like al-Qaeda and some that are a little less sophisticated than al-Qaeda was back in 2001. But the idea that we are going to build a Star Wars system to defeat a country that can build an ICBM ignores the fact that a speedboat off a freighter is a lot easier to build than an ICBM and makes me wonder why we would assume that we can make ourselves safe from such a sophisticated adversary if we allow that adversary to build nuclear weapons.

Mr. KOJM, one of the areas that the Commission focuses on is in getting our message to the Muslim world. We are spending \$600 million on international broadcasting. A decent chunk of that is being spent on broadcasting in the Muslim world. Yet we don't provide any aid to the private broadcasters based chiefly in Los Angeles that have an incredibly large audience in Iran, and I wonder whether you or the Commission has any view on whether we should support those who have already established an audience and yet are really shoestring operations. I have seen them. And they often lack for content, often lack for—just the satellite time they need to get the message into Iran.

Mr. KOJM. Mr. Sherman, we did not get to that level of specificity with respect to how to support broadcasting or other methods of message transmission. I think all I can say is the Commission would want to support creativity and creative approaches in both delivering the message and extending a positive image of the United States. I think I have to stop at that.

Mr. SHERMAN. Do I have time for one more question?

The Commission was very precise in talking about how Iran allowed al-Qaeda terrorists to go in and out of that country and deliberately did not stamp their passports, thus facilitating al-Qaeda operations in general and perhaps the attack on 9/11 in particular. Do we have any reason to think that that was just a rogue decision made by some local Customs official of Iran without the knowledge

or approval of controlling elements into Iran, or was this a national decision implemented in several different places in Iran?

Mr. KOJM. Mr. Sherman, to be precise, we don't really know. We developed this question really quite late in our investigation and think that others will have to take this up. What is clear is that the future hijackers did transit from Iran to Afghanistan. Their passports were not stamped. That seems to have been a conscious decision. But to speak with more precision is really beyond what we know.

Mr. SMITH OF NEW JERSEY. The Chair recognizes Mr. Pence from Indiana.

Mr. PENCE. Thank you, Mr. Chairman. I would like to thank the witnesses for their service to the country on the 9-11 Commission, and I would like to thank the Chairman for calling this hearing. I would not often be grateful for being called back to Washington, DC, from my heartland Indiana district in this uncommonly comfortable August, but I am pleased to be here.

I joined the Chairman in a press conference the day that the Commission released its report where four Republicans and four Democrats urged expeditious action in a bipartisan way, and I am grateful to see the Chairman putting feet on that in previous days and weeks ahead while Congress would otherwise be relaxing at home.

I do wish to commend the Commission and members of the staff, legal and otherwise, who are here today. I came to that appreciation slowly. I did not support the creation of the 9-11 Commission. I believed that in the times in which we live it would very likely be just one more chapter in the blame game in Washington, DC. I try to always be ready to admit when I am wrong; and this report, with the leadership of a great Hoosier in Lee Hamilton and Governor Kean, I think produced a thought-provoking and truly bipartisan analysis that will serve the Nation, our interests and our security as well, for many years to come, and I wish to express the appreciation of the people of the Sixth Congressional District of Indiana.

Couple of quick points. It seems to me and I am very intrigued about two issues that have been raised here, that Mr. Leach raised, and that is the question of motivation. And the second has to do with the terrorist travel issues that Ms. Ginsburg raised today. Because I have to tell you that when I am home in the 19 counties of eastern Indiana, border security preoccupies the minds of the people I represent as almost no other issue relative to confronting terrorism. I think there is a sense among the people I represent that there are two things the United States of America has to do on the war on terror and that is hunt them down there and stop them from getting here, to put it in plain English.

Some of the Commission's findings about the lack of a coherent and integrated system of interdicting terrorist travels is troubling to this Member and I think should be troubling to every American, and I want to get to that very quickly. But with regard to the motivation, and I know, Mr. Kojm, in some of your previous positions, you were intimately involved in the peace process and the debate between the interest of Israel and the Palestinian Authority. You make some comments on page 377 that you have reflected on here

today. The Commission essentially says, without commenting on whether United States policy in the Israeli-Palestinian conflict has been right or wrong, and the impact, essentially, on the Arab and Muslim world, and I just wanted to return to that very briefly, if I might, Mr. Kojm. How do you calculate, or how does the Commission calculate the impact of the ups and downs over the last 10 years in the Israeli-Palestinian conflict and its bearing on the horrific attack on our country on September 11? Was it the ups and downs?

The United States of America since the '90s and after has focused enormous energy and enormous resources diplomatically on trying to come to some agreement. But is it more—are we talking 1948 forward or talking about something that was aided or exacerbated by the ups and downs of the last decade, Mr. Kojm?

Mr. KOJM. Mr. Pence, let me try to answer a very good and a very hard question.

I think, first, I would draw your attention simply to changes in global communication and mass media. Two generations ago, it was radio broadcasts in the Arab world that were the central way people got their news. Today, it is Al Jazeera or another television equivalent. We have been speaking about problems of literacy and problems like impoverishment or economic backwardness in the Muslim world. But when it comes to television, it is widely available, and you don't have to read and write. It is a medium that draws people into the emotional aspects of any question or any issue.

So it is just a fact of life that the Israeli-Palestinian conflict and the war in Iraq are topics of immediate attention and interest to a very, very broad swath of public opinion, not just in the Arab world but now with resonance throughout the Muslim world. So, in a sense, these issues are part and parcel of any debate.

Now Congressman Leach appropriately asked about the question of motivation, but you can't separate single motivation. Speaking personally, as the Commission did not dispose of this matter, even when there was a period of progress and of great hope for peace—and indeed peace in many respects between Israel and its neighbors—bin Laden's planning went forward.

At the same time, if you carefully read his fatwa—his February, 1998, fatwa—it talks about the occupation of the Holy Lands. By that, it meant United States troops in Saudi Arabia. It talks about the suffering of the Iraqi people with respect to sanctions at the time. It spoke of American policies of divide and conquer within the Muslim world to the benefit of Israel.

My point here is not to do publicity for bin Laden but to point out that there are multiple motivations on many levels. Political expressions are part of it. But, as I think Mr. Sherman has said, that simply solving the political problems cannot stop the immediate threat from this core group. But it is certainly true that making progress on the broad array of issues we have outlined can reduce public support of bin Laden, which is crucial to our success.

Mr. PENCE. But it is correct to say, and I think I just heard you say, in times when there was great promise and great hope of progress in the last decade that there is really no evidence that had

any impact on the planning and strategy and the intentions to bring harm and violence on 9/11 to the United States of America?

Mr. KOJM. This is true with respect, certainly, to bin Laden, his lieutenants and the core group. But I think there is little doubt about—and every President and Secretary of State who has worked on this question since 1948 and '49 understands—the importance of an Arab-Israeli settlement to United States interests in the Middle East.

Mr. PENCE. I appreciate your candor very much, and your expertise is acknowledged.

Let me ask, if I may, Ms. Ginsburg, your comments about terrorist travel I find very provocative. In fact, I think your last statement—and I don't have a copy of your statement in front of me, but you essentially asserted that, as of today, although the report says there has been some progress in reforming and interdicting terrorist travel, that you said presently the U.S. policy does not recognize the importance of protecting our borders from terrorists' travel in effect. Did I hear you wrong on that or—because the report seems to suggest on page 384 that the weaknesses—and I think the Commission identifies two systemic weaknesses—the reports asserts these weaknesses have been reduced but are far from being overcome. I am not splitting hairs. The points you raised are extremely important and valuable, and I am trying to get a sense that we do not yet have a policy in the United States of America.

Ms. GINSBURG. I was making a distinction between border security measures, which have greatly increased since 9/11 at the ports of entry, and thinking about a biometric system. I was making the distinction between that progress and progress to see a more offensive role for a terrorist traveler, or interdiction strategy that is part of our counterterrorism strategy as well as integrated into our own border security measures.

Mr. PENCE. And the other thing that the Commission—as I read the report, the Commission makes pretty astounding suggestions about the issue of terrorist travel. Again, on page 384, 15 of the 19 hijackers were, in the Commission's terms, potentially vulnerable to interception by border authorities and went on to say authorities could have identified up to three hijackers. But here is the most troubling thing: More effective use of information in U.S. Government databases, all of which is heartbreaking when I think of the thousands of families that grieve to this day about 9/11. Are we making progress? Is the Commission calling for an abrupt change in the kind of implementation policy in offense strategy that you are talking about? How urgent is this need in this Congress?

Ms. GINSBURG. We talked about a variety of things. On the question of the data in our databases, the information in our databases wasn't fully captured in time for the unfolding of that plot. Many improvements have been made, establishment of the terrorist screening center and integration of the watchlists which our particular point referred to.

I do think that on the question, however, of terrorist travel intelligence, development of the intelligence, the systematic analysis of passports and travel tactics generally, the policies around the world, the means in which both the mode of transportation and the

means chosen to penetrate borders, that whole arena has to be developed and very little attention has been paid to it in the intelligence community.

Also, there is a pretty significant gap in the intelligence community and the front lines of our borders. That gap needs to be closed. Part of the problem is clearances, part of the problem is technology, and part of the problem is training on the scale needed to both develop and transmit that kind of information in a day-to-day way.

Mr. PENCE. If we do the analysis—it seems as though when I buy gasoline and stick a credit card in the gas pump, it takes about a millisecond for that gas station to figure out I have credit to buy gas. Seems to me if we have that intelligence, we have the data systems in place where 330 million citizens come and go from this country, we ought to have the ability at some point in the foreseeable future to do a better job at intercepting terrorists who are making an effort.

Ms. GINSBURG. I think we have opportunities to do a much better job. We have to work hard at it, and it is going to take time.

Mr. SMITH OF NEW JERSEY. Ms. McCollum.

Ms. MCCOLLUM. I would like to say again and would like to thank you for the work. The staff deserves so much credit in the way that you presented information to those who watched on TV and in the book that has been published, because it is factual, it is cited. The footnotes are just as exciting as the chapters. But more importantly, with all the facts and information that is in there, it is presented in a way in which any person in the United States who wants to learn more about what happened and what steps our Government can do to prevent this type of situation from happening again is presented in a very useful form; and that in and of itself is a great task.

I want to talk about diplomacy and issues of diplomacy, because this is the International Relations Committee. And there have been plans in place to track student visas, and then the funding was never put in place to follow up to make some of those systems work. So Congress has a responsibility in anything that is put forward to make sure the funding is there.

But you talk about exchanges in the *9/11 Commission Report*. You talk about the fact that libraries had been closed. I just recently came back from Syria, Lebanon, Israel, Iraq, as well as being in the Palestinian areas. And my question is, the exchanges that you mention in here are us opening up resources for people in other countries to interact with the American Government, American ideas. But I didn't see much in the report about what is going on currently with people from all over the globe, whether they be scientists or students, having access to America itself. And realizing that border security needs to be—and I fully support many of the recommendations in here to increase border security. Could you talk to me about the importance of having an exchange? Because these leaders, whether they are from Syria or Lebanon, the people moving forward in the peace process, the majority of them had been educated in the United States and they are not coming here anymore.

Mr. KOJM. Thank you for the question, and it is a very important one. And, first, thank you for your comments about the staff. We

represent the 80 spectacular professionals who served on the staff. On their behalf we thank you for those words.

Your comments ring very true to both a University President, who serves as Commission Chairman, and to the Director of the Woodrow Wilson Center, who serves as Commission Vice Chair. Both the Chair and Vice Chair know firsthand of what you speak and the great difficulties that scholars, scientists, business people, students, tourists all have in coming to the United States now. The challenge for us is to devise a system that does not impede this very important part of international commerce that is essential to our cultural, economic and scientific dynamism as a country. And I will ask my colleague Susan to comment.

Ms. GINSBURG. The Commission considered the point that you raised and looked at the visa applications that have been assigned since 9/11, and they are down significantly, by 36 percent, for the Middle East. My understanding is that some reserves are turning around right now. But one of the things we see is that the design of security measures on the training needs to be continually adjusted to respond to that problem, and some of the measures taken in recent weeks seem to be addressing that.

We looked at several programs that were put in place after 9/11, particularly those dealing with the additional scrutiny on visas. And as we reported in one of our staff statements, I think staff statement number 10, we didn't see a lot of results, security benefits from some of the measures put in place immediately after 9/11. So the call for adjustment is really a call to have programs put in place for security reasons and looked at to make sure that they are providing the security.

Ms. MCCOLLUM. I would like to talk about the U.S. and our engagement with the world. We have differences here in the Congress about some treaties and the global climate change. When we aren't engaged actively in dialogue and not treating one as equal partners, we diminish our credibility when we come to the table as honest brokers on some issues. That is what I was hearing from business people in some of the countries, political people.

What came up over and over and over again was their concern about the major attitude change that the United States had in using diplomacy as the first resort, the second resort, third resort. And it came down to preemptive war. Countries that we have been working on improving rights and relationships with respected the fact that we had power. We are the most powerful country in the world. Always felt that diplomacy and engagement would be used paramount before preemptive war.

So I am not going to ask you to necessarily—we have discussed Iraq, and you said you have no comment to make on that. But as diplomacy in the words we choose and the actions we take, if we aren't careful in what we do, groups like al-Qaeda are using that to define us to their best interest. You do allude to that in your report; and if you would make a comment on that, I would appreciate it.

Mr. KOJM. Thank you. You are certainly right. I can't comment on every aspect of your question, but I think I can comment meaningfully.

What we have found on the question of paramount importance to the national security of the United States—international terrorism—we cannot succeed over the long term without deep, continuous, profound interaction and support from international partners. And it doesn't matter what aspect of our struggle with international terrorism you choose to single out, we cannot do it alone. The Secretary of State, the Director of Central Intelligence, every senior official who is charged with national security is continuously engaged in dialogue, interaction, exchanges of information, making requests, and responding to requests from international partners. Some things you can do alone that are helpful and beneficial, most assuredly. But, over the long term, success requires international partnership. And how do you get that partnership? Well, you build trust and cooperation when you treat people as partners. And I will stop at that point.

Mr. SMITH OF NEW JERSEY. The Chair recognizes Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman; and let me begin by thanking you, Mr. Chairman, for holding this hearing. It is very useful indeed, and I am happy to be here to participate in it.

I want to thank our two witnesses for their hard work. I think the Commission Report presents a number of very interesting ideas and proposals that we should look at very, very carefully.

I also wanted to associate myself with Mr. Sherman's remarks before in appreciation of the Commission's statement or principles.

And, Mr. Kojm, I think we recognize we have to destroy al-Qaeda. That needs to be an extremely important part of our policy. There is oftentimes a danger when commissions are created, committees are created, and we look at challenges and tragedies and we spend so much time in reflection and wringing our hands that we forget some of the obvious, that we have enemies outside that should be destroyed.

I compliment you. I think the Commission did a terrific job in creating a right balance. I would like to pursue some of the words that you have spoken and written regarding international assistance, because I do think it is terribly important.

Some months ago, I had the opportunity to travel. I was in North Africa, and one of our Ambassadors said something to me that I thought was important and profound. She said, oftentimes she has heard that America is losing the battle of the hearts and minds of young Muslims in general and young Muslim Arabs in particular. And she looked at me and said, that is not true. We are not losing the battle. We are not in it.

The more I thought about it, the more I realized she was correct. That in terms of our expression of support and for many down-trodden people in the world, we don't always do as good a job as we need to do despite the fact we are the most generous Nation on the face of the earth. For a variety of reasons, we don't always send a signal that should accompany that generosity, because I think it would serve us well in the long run in preventing the ability of terrorist organizations like al-Qaeda to recruit or have any popular support at all.

So my own view is that we must continue to push ahead. And the battle needs to be short term and long term. In the short term, there are things we need to do militarily. But in the long run, we

must take a look at those conditions that al-Qaeda and others have used—unfortunately effectively—to recruit others.

That leads me to the point that I wanted to raise. The Commission's report recognizes in particular education's role in teaching tolerance in areas that haven't shown tolerance. Specifically recommends the International Youth Education Opportunity Fund. Do you have any further details on this proposal that you could share with us? What kind of commitment do you believe the United States needs to make to this and what kind of activities should this fund be supporting? I raise it to either of you two.

Mr. KOJM. Thank you for the question and the observation with which we agree wholeheartedly. We need a balance. Those who seek to kill us, that group needs to be a target for destruction by us. That, of course, is one of our recommendations. At the same time we believe other parts of our strategy and recommendations are important. Part of that strategy is education.

On the International Youth Education Opportunity Fund, we thought about attaching a certain dollar figure, but decided not to. We wanted to speak to what our expertise was, and there are better experts in international education and assistance programs than the 10 members of the Commission. So we didn't want to micromanage or spell out too much detail.

But we feel that the thrust of the idea is important, that we should make a significant commitment as a government to education. And we know that the need is far greater than what we can bring to the table.

We wanted to stress the importance of leveraging that effort. Other countries themselves have to step up and agree that a secular education, a modern education that will help their young people adjust to a modern economy is important to them. So it really has to be a matching effort, and I think this is the only way we can leverage, to send both the statement of the values of the United States but also a tangible contribution. We talk a lot about madrassahs and all the terrible things that madrassahs teach. But if you are a very poor family in Karachi, what are your educational choices if this is the only school that a family can send their young people to? It is up to us to work with others to give them more options and more opportunity.

Mr. GREEN. As a follow-up to that, did the Commission look at the details of the potential for the Millennium Challenge Account program that this Committee wrote and helped to pass? It would seem that already offers significant commitments. Of course, what makes the Millennium Challenge Account unique, it requires a great deal in terms of accountability and adoption of principles, many of which seem to point to some of the conditions or important points in terms of commitment to education, commitment to women's health, commitments to more open and liberal societies. It would seem that the Millennium Challenge Account would be open to some of the suggestions you have mentioned.

Mr. KOJM. The ideas animating the Millennium Challenge Account certainly are things that we looked at and wanted to respond to. But we wanted to make a more general point about our relationship with, and our philosophy toward, the Arab and Muslim

world. Certainly many aspects of the Millennium challenge account are consistent with what we have outlined.

Mr. SMITH OF NEW JERSEY. I would like to conclude with a couple of final questions. You make the recommendation in the report about the Broadcasting Board of Governors, and we know that broadcasting, radio, TV, have been enormously successful. You make the point that the BBG has asked for much larger resources. What have they asked for and are you sure they are not getting them?

And while you are thinking of that, just a couple of other issues. I mentioned earlier the nexus between terrorism and human trafficking. Obviously, the most obvious—and we know that there is a connect here between drug trafficking and profits and property derived from poppies and cocaine and the like. My question to you would be, Would you favor a role for our DEA in the intelligence community sharing? I think you make important recommendations in the report about how the United States should engage its friends and develop a common approach toward the humane treatment of prisoners. I would just note parenthetically, just as you said we need to vigorously—what was revealed in some of the detention centers and jails in Iraq, Abu Ghraib in particular. And I would just point out again, further parenthetically, there are 11 ongoing military investigations. Seven military officers have been charged and another two dozen likely to be charged as early as tomorrow.

So there is a multitude of mutually reinforcing, and hopefully no stone will be left unturned. I was in Edinburgh as Chairman of the Helsinki Commission, and there were 320 or so parliamentarians from 55 countries. I offered a resolution on torture and abuse of prisoners and said, “We need to lead by example if we are going to try to admonish other countries, some of the ‘Stans’ in Central Asia, not to torture prisoners.” We need to absolutely lead by example and hold those to account who don’t.

But specifically you might want to elaborate on that recommendation.

And finally on our hearings, which you point out, and I found this a little bit disappointing because I was myself, as a Subcommittee Chair, very active not only in holding hearings on terrorism—I mentioned one earlier and some of those who participated included Admiral Crowe, who is also an Ambassador—but we also produced sweeping legislation that was passed into law that significantly enhanced our ability to protect our Embassies abroad and add more counterterrorism people, and to have this integrated response. The Foreign Relations Act of 2000—2001 was my bill, was signed into law, \$5.9 billion over 5 years authorized to try to mitigate the threat of terrorism by setbacks, by more people on the job overseas. And yet, on page 106, it makes the point that the report indicated that this Committee held only four hearings from January 1998 to September 2001. We can count at least 18, and obviously—you know, this is in whole or in part obviously, every hearing.

I mean, when we did the Admiral Crowe hearing, there were other aspects that were discussed at that, but that was the primary focus. My point is, it is misleading, in my view—and I say this with respect—to suggest we weren’t on the job. Maybe we didn’t do all

we could have done, and that is probably very clear. But at least 18 hearings were held during that very limited time frame that you put in the report.

Any feedback on that now or in the future that you would like to provide for the record we would appreciate, Mr. Kojm.

Mr. KOJM. Thank you. Let me just try to go quickly through the several questions you raised.

With respect to DEA, certainly we support all systems to increase information sharing, both within elements of the intelligence community, but also with other agencies. Our information sharing recommendations certainly go beyond just the intelligence community.

On the Broadcasting Board of Governors, I am really not prepared to speak precisely on budget figures. I think our broader point would be simply that television in the Arab and Muslim world is powerful. Al Jazeera, whether we like it or not, is successful. As Mr. Pence recounted, you can't beat somebody if you are not in the game. And we need to be in the game with respect to satellite broadcasting, and we need to be in the game in a big way.

With respect to torturing prisoners, our point with respect to those who are detained in the war on terrorism is that it is a point of friction with key friends and allies, with the British, the Australians, who speak to us about norms of international treatment. Moreover, it is frankly not very helpful in the war of ideas. The treatment and the condition of detainees is also a theme in the media of the Arab and Muslim world.

With respect finally to the record of this Committee, we, of course, stand corrected and welcome any material you would seek to provide that would enhance our understanding. Your staff has provided us some, and of course, we welcome that. Thank you.

Mr. SMITH OF NEW JERSEY. Mr. Kojm, thank you very much. And I want to thank both of you, Ms. Ginsburg as well, for your great service to our country. The product that the Commission has produced is a blueprint. There may be additions to it. I mean, you know, the next time—as you know, having worked on the Committee, if we see a draft bill not get changed in significant ways as it goes through the process, it would be the first time. So this is a great starting point, and I think much that could be done administratively as well as legislatively will be done; so we thank you so much for that.

I would like now to welcome our second panel to the witness table beginning with Ambassador J. Cofer Black, the Department of State's Coordinator for Counterterrorism. Prior to joining the Department of State, Ambassador Black was the Director of the CIA Counterterrorist Center.

And we will put more extensive biographies into the record, but in the interest of time we will do a shorter version.

We will then hear from Secretary Patricia de Stacy Harrison, who serves as the Acting Under Secretary of State for Public Diplomacy and Public Affairs, as well as Assistant Secretary of State for Educational and Cultural Affairs. Secretary Harrison previously served on the United States Trade Representative's Service Policy Advisory Council and was Co-Chairman of the Republican National Committee.

Ambassador Maura Harty became the Assistant Secretary of State for Consular Affairs on November 21, 2002. Prior to assuming this position, Ambassador Harty served as the Executive Secretary of the Department of State.

We will then hear from Ambassador Francis Taylor, who is the Assistant Secretary of State for Diplomatic Security and Director of the Office of Foreign Missions. Prior to his appointment in 2002, Ambassador Taylor served as the Department of State's Coordinator for Counterterrorism.

Earl Anthony Wayne was sworn in as Assistant Secretary of State for Economic and Business Affairs on June 1, 2000. Secretary Wayne previously served as the Principal Deputy Assistant Secretary for European Affairs.

Secretary James W. Swigert is the Principal Deputy Assistant Secretary of State in the Bureau of International Organization Affairs. Mr. Swigert previously served as Director of the Offices of South Central Europe and North Central Europe and as Deputy Assistant Secretary of State for Europe.

Carol Rodley serves as Deputy Assistant Secretary of State in the Bureau of Intelligence and Research. Ms. Rodley was previously the Deputy Executive Secretary in the Executive Secretariat of the State Department.

Christina Rocca is the Assistant Secretary of State for South Asian Affairs. Prior to joining the Department of State, Secretary Rocca was the Foreign Affairs Advisor to Senator Sam Brownback.

Philo Dibble has served as Deputy Assistant Secretary of State in the Bureau of Near Eastern Affairs since May 2003. He was previously the Deputy Chief of Mission in Damascus, Syria.

We are honored to have all of you here today. Your insights, your written statements, all will be made a part of the record and this will become very crucial in our deliberations in the Full Committee and for the Congress in devising what we hope will be a wise strategy going forward.

Ambassador Black, if you could begin.

STATEMENT OF THE HONORABLE J. COFER BLACK, COORDINATOR OF COUNTERTERRORISM, U.S. DEPARTMENT OF STATE

Mr. BLACK. Mr. Chairman, distinguished Members of the Committee, thank you very much for the opportunity to testify today on the State Department's diplomatic strategy to address terrorism as viewed in the light of the 9-11 Commission's report and recommendations. I will summarize my formal written statement and ask that you include my full testimony in the record.

Mr. SMITH OF NEW JERSEY. Without objection, Mr. Ambassador, yours and that of each of our distinguished witnesses will be made a part the record.

Mr. BLACK. Thank you.

The release of the 9-11 Commission's report and the subsequent congressional hearings to discuss the Commission's recommendations provide the necessary structure for a national debate on the diplomatic approach to combating terrorism. To give you a brief sense of the State Department's contribution to the work of the Commission, you should be aware that my office provided over

15,000 pages of documents in response to a series of requests, and I am sure that my colleagues can attest to similar contributions.

The testimony you will hear from my colleagues should leave you with a profound sense that the State Department has a strategy for diplomatic engagement in the age of terrorism. This strategy has been evolving since the attacks in September 2001.

Today, I would like to briefly address two of the 9–11 Commission's recommendations: Our actions to deny terrorists sanctuary around the world and our efforts to develop a comprehensive strategy against terrorism through multilateral mechanisms. My colleagues will address additional recommendations from the Commission Report.

We are facing a global threat which calls for comprehensive diplomatic strategy and a global response. Anything less than a global approach could result in the types of terrorist sanctuaries that are described in chapter 12 of the Commission's report.

The 9–11 Commission identified six regions of concern as current or future terrorist safe havens. I will concentrate my remarks today on two of these regions, deferring to my colleagues to elaborate on their specific areas of expertise.

To counter the threat posed by al-Qaeda in the Horn of Africa, the State Department is cooperating with numerous partners, including the Department of Defense and host governments, to suppress terrorist activities in the region, to arrest and bring to justice those who have attacked us and to diminish the conditions in those societies that provide terrorists with refuge and support. Much of this cooperation takes place in the context of President Bush's \$100 million East Africa counterterrorism initiative. Djibouti, Eritrea, Ethiopia, Kenya, Tanzania and Uganda participate in this initiative.

In Kenya we are working with the Kenyan Government to improve its capabilities in the areas of counterterrorism, border control, law enforcement and criminal investigation and airport security. In Ethiopia and Djibouti we formed close partnerships to counter the threat of terrorism coming from Somalia. We believe that our successes in this region have degraded the terrorist capabilities, and we continue to act against the terrorist networks at every opportunity.

Southeast Asia is a major front in the global war on terrorism and continues to be an attractive theater of operations for the regional terrorist group such as Jemaah Islamiyah (JI). The governments in Southeast Asia have been reliable partners in the war on terrorism, but they face tremendous challenges in dealing with the terrorist threat. We are working to address these challenges through our antiterrorism training assistance program which is showing good results.

In the Philippines we have seen success as the Philippine National Police have thwarted plots in Manila, and arrested suspected members of the JI and the Abu Sayyaf group. In Indonesia we implemented an \$8 million program to train and equip a specialized counterterrorism (CT) unit with the Indonesian National Police. These CT unit members have contributed significantly to the arrests of the Bali and Marriott bombers. In Thailand and in the

Philippines we are also working to implement terrorist watchlisting capabilities at key points of entry.

Members of the Committee can be confident that bilateral efforts to eliminate terrorist sanctuaries are succeeding in each of the six regions identified in the *9/11 Commission Report*.

Multilateral counterterrorism efforts start at the United Nations with U.N. Security Council Resolution 1373. This resolution establishes a series of binding counterterrorism obligations on all U.N. members and created the Counter-Terrorism Committee, or CTC, to monitor implementation of these obligations.

But the multilateral efforts only begin there. Regional and functional organizations are also critical. Functional organizations like the International Civil Aviation Organization, and the International Maritime Organization, can set international counterterrorism standards and identify best practices. Regional groups like the Organization of American States' Inter-American Committee Against Terrorism, or CICTE, and the Asia-Pacific Economic Cooperation's Counter Terrorism Task Force can encourage member-states to adopt the international standards and best practices identified by functional organizations.

The message you should take away from today's testimony is that in response to the threat of terrorism, the State Department has been working bilaterally with our partners and aggressively mobilizing international organizations to fight terrorism in every corner of the world.

In closing, I would like to personally thank the Committee Members for their sustained support of an amendment to reform the law on the designation of foreign terrorist organizations. This provision represents the type of legislative action that will allow my staff and their counterparts in other departments to direct their efforts more productively against terrorists and their supporters.

Mr. Chairman, I will end at that note and turn it over to my colleagues.

Mr. SMITH OF NEW JERSEY. Ambassador Black, thank you very much.

[The prepared statement of Mr. Black follows:]

PREPARED STATEMENT OF THE HONORABLE J. COFER BLACK, COORDINATOR OF
COUNTERTERRORISM

Mr. Chairman, Distinguished Members of the Committee, thank you for the opportunity to testify today on the recommendations of the 9–11 Commission.

Today's hearing contributes to the ongoing and essential national debate on how we might improve the sustained, steadfast, and systematic application of all key elements of national power—diplomatic, financial, law enforcement, intelligence, and military—to the most important challenge of our time: the task of defending our country against future acts of terrorism. I welcome the opportunity to speak to several of the recommendations of the 9–11 Commission. I would like briefly to address our actions:

- To deny terrorists sanctuary around the world;
- To develop a comprehensive coalition strategy against terrorism through multilateral mechanisms;
- To prevent the proliferation and terrorist acquisition of weapons of mass destruction; and
- To develop a common approach toward the detention and humane treatment of captured terrorists.

MULTILATERAL COUNTERTERRORISM STRATEGY

As implied in Chapter 12 of the 9–11 Commission’s report, “What to Do? A Global Strategy,” and as President Bush has stressed on numerous occasions, the global threat requires a global strategy and a global response—and this is exactly what we have been providing, both bilaterally with our partners, and by aggressively mobilizing the United Nations and other international organizations to fight terrorism in every corner of the globe.

Multilateral counterterrorism (CT) efforts start at the United Nations. UN Security Council Resolution 1373, adopted with strong U.S. leadership shortly after 9–11, places binding obligations on all UN member states to:

- Prevent and suppress terrorist financing by criminalizing financing, planning, preparing or perpetrating terrorist acts;
- Prohibit nationals from making funds or economic resources available to terrorists;
- Freeze funds and financial assets of terrorists and related entities;
- Refrain from supporting terrorist entities, take necessary steps to prevent commission of terrorist acts, and prevent use of territory for terrorist acts;
- Deny safe haven and prevent movement of terrorists across borders;
- Exchange operational information and enter into agreements to prevent and suppress terrorism, including ratifying the 12 CT conventions;
- Ensure refugee/asylum laws prevent abuse by terrorists; and
- Prohibit active and passive assistance to terrorists.

UNSCR 1373 also created the Counterterrorism Committee (CTC) to monitor implementation of its obligations, and to maintain countries’ will to continue the struggle. CTC has received universal support, with all 191 UN members reporting on steps taken to implement UNSCR 1373. With our support, CTC is moving beyond receiving self-assessments of compliance to conducting on-the-ground assessments where appropriate. Such visits can help stimulate compliance by pinpointing assistance needs in states with capacity requirements.

Regional and functional organizations are also critical to building a seamless global CT web. Functional organizations like the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) can set international CT standards and best practices. Regional groups such as Organization of American States’ Inter-American Committee Against Terrorism (CICTE) and Asia-Pacific Economic Cooperation’s CT Task Force can encourage their member states to adopt these standards and best practices, and help in their implementation. An example of how the United States is working with such organizations to improve CT efforts involves four different multilateral groups, each doing what it does best:

- The G8 developed a set of standards and best practices as part of the Secure and Facilitated International Travel Initiative (SAFTI) to improve the security of travel documents, including the use of biometrics.
- ICAO reviewed these standards and best practices and agreed to adopt them as international standards.
- The Organization for Security Cooperation in Europe (OSCE) agreed in a Ministerial decision last December to a U.S.-initiated proposal for all 55 OSCE member states to adopt and implement the ICAO standards and best practices.
- The G8 Counterterrorism Action Group (CTAG) focused part of its last meeting on bringing donor attention to document security assistance needs in the OSCE region and beyond.

Since 9–11, we have been working with our close partners in the European Union (EU) to combat the threat of terrorism. At the recent U.S.–EU Summit, we renewed our commitment to further develop our cooperation against terrorism and agreed to work together: to deepen the international consensus and enhance international efforts to combat terrorism; to prevent access by terrorists to financial and other economic resources; to develop measures to maximize our capacities to detect, investigate and prosecute terrorists and prevent terrorist attacks; to protect the security of international transport and ensure effective systems of border control; to develop further our capabilities to deal with the consequences of a terrorist attack; to diminish the underlying conditions that terrorists can seize to recruit and exploit to their advantage; and to target our external relations actions towards priority developing countries where CT capacity or commitment to combating terrorism needs to be enhanced.

This is the type of multilateral CT effort and cooperation that the United States seeks to promote, a goal clearly shared by our G8 partners. During the U.S. G8 Presidency, our primary CT focus has been to improve the security of travel. At the June G8 Summit, the President and his G8 counterparts adopted the Secure and Facilitated International Travel Initiative (SAFTI), which includes 28 forward-leaning projects in multiple areas of travel security:

- *Enhancing travel document security and interoperability:* We have done much in this area, but SAFTI seeks added improvement.
- *Information exchange:* Information flow between nations is crucial to stopping terrorists before they can act. We will improve the exchange of travel document validation data, visa watch list data, advanced passenger information, and lost and stolen passport data.
- *Security cooperation:* We will work together to build our shared capacity to: analyze the security risk of passengers, crew, and cargo in advance of travel; ensure that all states have proper airline and airport inspections and enforcement regimes; and implement air, ground, and port countermeasures, including the training and use of air marshals.
- *MANPADS threat reduction:* We are tackling the threat of man-portable air defense systems (MANPADS) on two fronts: by stopping the proliferation of such weapons and by helping security forces to defeat the threat where non-proliferation efforts fail.

G8 actions in these areas will serve as a first step in further bolstering the security of travel. As with G8 document security standards, the next steps will be to export completed standards and practices to other organizations for broader adoption, and then to help those lacking the means to implement them.

Helping states meet their CT obligations has been CTAG's *raison d'être* since it was set up in 2003 to serve as a forum for donors of CT assistance. Through CTAG we are acting around the world:

- To enhance the USG's \$100 million East Africa Counterterrorism Initiative, the USG asked other CTAG donors to contribute and coordinate assistance to maximize its impact.
- In Southeast Asia, CTAG is working with the Thai government to crack down on document fraud, a major problem that has enabled terrorists to seek sanctuary in the region using false documents, and with the Philippines and Indonesia to provide effective means to eliminate entrenched terrorists.
- CTAG has worked with Financial Action Task Force to bring anti-terrorist financing assistance to priority countries based on specific needs assessments.
- In concert with APEC and the IMO, CTAG is working to improve port and maritime security in critical Southeast Asian shipping lanes.

CTAG will continue to address specific regional issues in the future, especially when they represent a significant security risk, but will focus more attention for now on global implementation of standards and practices, such as those associated with SAFTI.

To facilitate the exchange of information with our partners, we have—through the G8—established a mechanism for providing real-time information on lost and stolen passports through Interpol. The G8 also agreed to develop, where possible, mechanisms for real-time data exchange for validation of travel documents, visa watch lists and advance passenger screening. While such international arrangements require complex negotiations, discussions now under way with Australia on a proposed Regional Movement Alert List provide a potential model for progress.

With sustained will and commitment, we will work with and through multilateral organizations to fight terrorism around the world. If we can replicate the model of the G8, ICAO, OSCE, and CTAG efforts on document security in other areas and in other groups, we will go a long way toward creating the seamless global CT web we want and need.

DENYING TERRORISTS SANCTUARY

The 9–11 Commission identified six regions of concern as current or future terrorist safe havens. I will briefly address our actions in these and other regions to deny terrorists refuge, time, and opportunity to plan further attacks.

South Asia

The United States participates with Pakistan and Afghanistan on the recently-formed Tripartite Commission, a problem-solving forum for discussing border and

security-related issues. This mechanism allows for better coordination between the three nations and has significantly improved relations in the Pakistan-Afghanistan border region identified by the 9–11 Commission.

Pakistan—Pakistan continues to be one of the United States' most important partners in the Global War on Terrorism (GWOT). To date, hundreds of al-Qaida or Taliban remnants have been successfully apprehended with the cooperation of Pakistani authorities. Among some of the great successes in the GWOT were the apprehensions of Khalid Shaykh Muhammad, the mastermind of the 9/11 attacks, and Walid Bin Attash, a prime suspect in the attack on the USS Cole in October 2002. Just recently, Ahmed Khalfan Ghailani along with several family members and confederates was apprehended by Pakistani forces. Since the fall of 2003, the Government of Pakistan (GOP) has stepped up its CT activities, most notably in the mountainous Federally Administered Tribal Areas. As of March 2004, over 70 individuals have been arrested. The GOP resumed operations in June, which are continuing to this day, despite taking casualties. In parallel with military action, Pakistan has enhanced its legal, political, and public relations efforts against al-Qaida and the Taliban. As of March 2004, the GOP has listed and offered rewards for over 70 terrorists.

The U.S. Government has initiated significant cooperative programs that are increasing GOP CT capabilities and building important ties between the U.S. and Pakistani CT communities. These programs include long-term capacity-building efforts in border security, criminal investigations, and counterterrorism finance.

Afghanistan—The removal of the Taliban regime from Afghanistan stripped al-Qaida of its primary sanctuary and support, and shut down long-standing terrorist training camps. Unable to find easy sanctuary in Afghanistan and elsewhere, the al-Qaida leadership must now devote much more time and energy to evading capture or worse.

The U.S. Government is working closely with Japan and the United Nations Assistance Mission to Afghanistan, which jointly lead the nationwide disarmament, demobilization, and reintegration (DDR) of militias in Afghanistan. Current plans call for DDR of all militias by June 2005. The USG continues to support security sector reform in Afghanistan by training and equipping the Afghan National Army (ANA). Currently over 10,000 ANA forces are deployed to different provinces in support of central government efforts to stabilize the provinces and Coalition efforts in Operation Enduring Freedom.

The U.S. Agency for International Development (USAID), in coordination with the Afghan government, is supporting the development of institutions at the national, provincial, and district levels. These include building roads, schools, and clinics; supporting government ministries and local courthouses. These reconstruction efforts pay an added benefit as we seek to eliminate terrorist sanctuary in Afghanistan.

Arabian Peninsula and Horn of Africa

The U.S. Government is working closely with its partners on the Arabian Peninsula to ensure that the area cannot be used as a safe haven or base of operations for terrorist activities. The stakes are high, as al-Qaida and other terrorist operatives threaten these governments and their citizens, as well as U.S. citizens and facilities in the region. We are engaged with the governments on the peninsula to bolster their CT capacities and support their efforts to combat terror. This includes support for border security, law enforcement training, intelligence support, training and advice to combat terrorist financing, and in the case of Yemen, economic development support.

Yemen—The U.S. Government restarted a Foreign Military Financing program in 2002 to support the CT mission of the Yemeni military. The Yemeni government is also working with us to enhance their border security and export control measures. We have been working with Yemen since 2001 to implement a terrorist watch listing capability and to date have installed computerized systems at two dozen Yemeni ports of entry.

In 2003, improvements in Yemen's internal security situation enabled USAID to reestablish a mission in Sanaa. Our development assistance in Yemen targets health, education, agriculture, economic growth, and democracy and governance in five remote and very poor rural governorates most at-risk of generating political, social, and economic instability. The development program is designed support the partnership between the governments of Yemen and the United States to improve security in the region by working together to improve the lives of the Yemeni people.

Saudi Arabia—Since the May 2003 attacks in Riyadh, the Saudi government has arrested more than 600 terrorist suspects, and has conducted more than 60 raids throughout the country, yielding tons of explosives, large caches of arms and ammu-

dition, and valuable insights into the plans and capabilities of the Saudi al-Qaida network. This effort has come at a cost, as Saudi security forces have lost approximately 30 men in CT operations.

We have had solid cooperation on intelligence sharing and case development through our Joint Task Force on Terrorist Financing. The Saudis have already instituted a variety of new laws and regulations that have the potential to fundamentally alter their banking and charity systems.

Horn of Africa, Somalia and Kenya—To counter the threat posed by al-Qaida in the Horn of Africa, State is cooperating with numerous partners, including the Department of Defense and host governments, to suppress the activities of terrorists in the region, to arrest and bring to justice those who have attacked us, and to diminish the conditions in those societies that provide terrorist sympathizers with refuge and support. Much of this latter cooperation takes place in the context of President Bush's \$100 million East Africa Counterterrorism Initiative. In late 2002, the Defense Department established the Combined Joint Task Force—Horn of Africa (CJTF-HOA), which participates in CT efforts in the Horn of Africa region. CJTF-HOA is part of the U.S. Central Command and functions in the context of Operation Enduring Freedom.

Southeast Asia

Southeast Asia is a major front in the global war on terrorism, and continues to be an attractive theater of operations for regional terrorist groups such as Jemaah Islamiyah (JI). The governments in Southeast Asia have been reliable partners in the war on terrorism, but they face tremendous challenges to dealing with the terrorist threat. We are making progress by working with many of the governments in the region to provide assistance and prevent them from becoming terrorist sanctuaries. We have a robust Anti-Terrorism Training Assistance (ATA) program throughout the region, and we are seeing results.

In the Philippines, we have seen success as the Philippine National Police have thwarted plots in Manila and arrested suspected members of JI and the Abu Sayyaf Group. In Indonesia, we implemented an \$8 million program to train and equip a specialized CT unit within the Indonesian National Police. In Thailand and the Philippines, we are also working to implement terrorist watch listing capabilities at key points of entry.

Because terrorism in Southeast Asia is a regional problem, we also work with other capable partners in a regional context to maximize the amount of CT assistance we can provide. Through the G8's Counter Terrorism Action Group process described earlier, our embassies coordinate CT assistance programs with other embassies in each capital to avoid duplication of effort.

North Africa and the Sahel

In North Africa and the Sahel, the primary threat is not from al-Qaida against the United States, but from a local radical Islamist group, the Salafist Group for Call and Combat (GSPC), which has been attempting to overthrow the government in Algeria and impose an Islamist regime. Through the Pan-Sahel Initiative, an \$8.4 million program, we have sought to better equip the nations of the area by providing training and equipment to improve their border security and deny the use of their sovereign territory to terrorists and criminals. Algeria, together with our partner nations of Chad, Niger, Mali, and Mauritania have demonstrated their seriousness by attacking, pursuing, and degrading the GSPC's capabilities over the last nine months.

Central and Eastern Europe

Terrorist activity and the presence of terrorist support networks in Europe is a source of concern. Efforts to combat this threat are complicated by the fact that some countries have legal impediments to taking firm judicial action against suspected terrorists, often stemming from asylum laws that afford loopholes, inadequate CT legislation, or standards of evidence that lack flexibility in permitting law enforcement authorities to rely on classified-source information in holding terrorist suspects. Ease of travel within Schengen visa countries could also make Western Europe attractive to terrorists. In the countries of Central and Eastern Europe, although immigrant communities are smaller, the ability to monitor and control possibly suspect activities and travel is often less than in more developed Western European states.

To address these potential weaknesses, we continue to work closely with European partners to strengthen CT legislation and to help less capable states improve their abilities to restrict terrorists' freedom of action, block assets, and address social conditions that contribute to the spread of terrorism. The contributions of European countries in sharing intelligence, arresting members of terrorist cells, and

interdicting terrorist financing and logistics have been and continue to be vital elements in the GWOT.

To supplement fixed border screening measures, the Department of State has joined other Federal agencies in taking a proactive approach to tracking and intercepting terrorists as they cross international borders. Our Terrorist Interdiction Program curbs terrorists' freedom of movement by providing recipient nations with computerized border control systems for their ports of entry. State has assigned Special Agents from the Bureau of Diplomatic Security to assist host country law enforcement authorities in their investigations of suspect travel facilitators—alien smuggling rings, document forgers and corrupt travel agencies. State is also a member of the Human Trafficking and Smuggling Center, an inter-agency unit that shares information and coordinates actions to combat alien smuggling and trafficking, including that linked to terrorism.

PREVENTING PROLIFERATION OF WEAPONS OF MASS DESTRUCTION TO TERRORISTS

The Commission Report addresses the nexus between terrorism and weapons of mass destruction (WMD) proliferation. We strongly support the Commission's recommendations to prevent terrorists from acquiring WMD, their delivery systems, and related materials. The Commission Report highlights two key nonproliferation efforts, the Proliferation Security Initiative (PSI) and the Cooperative Threat Reduction (CTR) Program. The Administration is actively working on both efforts in ways that respond to the Commission's recommendations.

The PSI has established a global web of counterproliferation partnerships; more than 60 countries worldwide support PSI and are becoming involved in PSI activities. We are continuing to broaden support for PSI and to expand its work to identify where proliferation facilitators operate and how we can shut them down and bring them to justice. We will do this through enhanced cooperation of law enforcement, military, and intelligence agencies of PSI partners around the world.

CTR is also making great strides in reducing prospects that terrorists will acquire WMD or related materials. CTR programs and other important U.S. efforts are expanding beyond the FSU. We are moving to lock up nuclear and radioactive material and improve export and border controls worldwide and also to ensure that smugglers of WMD-related materials are prosecuted. Agencies are collaborating to eliminate WMD programs and to redirect scientists in Libya and Iraq. At the G8 Summit in Sea Island, we welcomed seven new countries into the G8 Global Partnership, for a total of 21 countries plus the EU. We are working together to ensure WMD-related materials are not available to terrorists or those that sponsor or supply them. The Partnership has made substantial progress on its goal of funding up to \$20 billion in non-proliferation projects by 2012.

COMMON APPROACH TOWARD THE DETENTION AND HUMANE TREATMENT OF CAPTURED TERRORISTS

Immediately following the attacks on 9/11, the international community recognized that we were in an armed conflict and we were justified in responding militarily. The Security Council recognized our inherent right of individual and collective self-defense, and members of NATO, the Rio Treaty and ANZUS invoked treaty clauses regarding collective self-defense. We strive for this same unity of purpose and international commitment when it comes to the detention of enemy combatants during the course of this armed conflict. Clearly the capture and detention of enemy combatants is inherent in any armed conflict and justified for the duration of hostilities. There remains, however, significant international disagreement that the legal framework for the continued detention of al-Qaeda detainees as enemy combatants should be the law of war, apart from the law enforcement framework that may also be utilized. Most governments will not, for example, accept transfer of detainees for continued detention under the laws of war and have thus far only been willing to accept responsibility for detention for purposes of criminal investigation and prosecution. With respect to the legal framework for the treatment of detainees, we are studying with interest the recommendation of the 9-11 Commission that "the United States should engage its friends to develop a common coalition approach toward the detention and humane treatment of captured terrorists."

LEGISLATIVE SOLUTIONS

I would like to thank Committee members for their sustained support of an amendment to reform the law on designating Foreign Terrorist Organizations. This provision represents the type of legislation that will allow my staff and their counterparts in other Departments to direct their efforts more productively against terrorists and their supporters.

In closing, I would like to assure the Committee members and the public that wide-ranging efforts are already underway to actively deny terrorists safe haven anywhere in the world. With the support of Congress, many programs mentioned today are vigorously engaging this crucial recommendation, and I am confident that today's hearing will provide additional stimulus to enhance and expand our capabilities.

Thank you again for the opportunity to appear before the Committee. I would be happy to take your questions.

Mr. SMITH OF NEW JERSEY. Secretary Harrison.

STATEMENT OF THE HONORABLE PATRICIA DE STACY HARRISON, ACTING UNDER SECRETARY FOR PUBLIC DIPLOMACY AND PUBLIC AFFAIRS, AND ASSISTANT SECRETARY, BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. HARRISON. Thank you, Mr. Chairman, Members of the Committee, for the opportunity to appear before you today.

Mr. Chairman, the findings and recommendations of the *9/11 Commission Report* lay out challenges specific to public diplomacy, calling on us to define our message and, in fact, to define who we are as Americans, to take a strong stand in support of a better future, to defend our ideals and values and to offer opportunity to youth.

Following the attack on our country almost 3 years ago, we have been executing a public diplomacy strategy that aligns with the Commission's recommendations, with the clear understanding that there is much, much more that must be done. Mr. Chairman, my written statement provides a comprehensive report on our public diplomacy initiatives. I just would like to make a few points.

We know that, as a nation, our greatest strength has always resided in our values. The essence of America's message to the world is hope in the guiding values of individual freedom, the non-negotiable demands of human dignity and economic opportunity. These are values that endure and resonate especially with the young, important and rapidly growing demographic in the Arabic-Muslim world.

We are working to communicate these values, using all the tools of technology, as well as proven traditional outreach programs, in order to connect with audiences who have very mixed attitudes toward America, ranging from selective admiration to hostility and sometimes a combination of both. We are working within an environment of instant global communication through the Internet, print, radio, television, video and film. And we are using all of these channels to reach younger and wider audiences in their own language.

We are reaching out as well to the universe of people who are responsible for youth education and development, what I call "youth influencers" such as clerics and classroom teachers, ministers of education, journalists, community leaders, counselors and coaches, and moderate groups that are critical to the development of a tolerant society. We have many partners throughout government and the private sector.

The Broadcasting Board of Governors has been vigorous and creative and, through Radio Sawa and Alhurra TV, we are reaching

increasingly larger audiences with the preeminent mass media channels of radio and television.

The Department's Bureau of International Information programs, through its expanded Web presence, utilizes the other critical channel of mass media, the Internet; and the Bureau of Public Affairs through our Foreign Press Center has expanded relationships with media outlets to reach new audiences, to connect and inform.

The Bureau of Educational and Cultural Affairs, working closely with the regional bureaus and our public diplomacy officers in the region, launched Partnerships for Learning 2 years ago. The focus of Partnerships for Learning is hope and opportunity delivered through scholarships, academic, cultural and professional exchanges and English teaching. Through Partnerships for Learning, we just completed the 1st year of our country's first-ever government-sponsored high school program with the Arab and Muslim world and also created a new undergraduate program for non-elite young men and women who would have otherwise had no opportunity for first-hand exposure to American values and institutions.

Programs that bring Americans and foreign citizens in direct contact can and do have tremendous positive impact, and we know that one of our greatest assets in public diplomacy is the American people themselves, as they really are and not as they are caricatured. Through our partnership with the private sector, which includes a network of more than 1,500 organizations and 80,000 American volunteers who welcome and host thousands of people from other countries to the United States, we are communicating values in the most direct and enduring way.

The Department is sending to Congress notification of our intent to establish an Office of Policy Planning and Resources in the office of the Under Secretary to improve the direction of public diplomacy, and I have also reestablished the Policy Coordinating Committee for Public Diplomacy with a focus on Muslim outreach.

There are many lessons that we are still learning from September 11, but one overarching theme remains: We must invest and sustain, engage and educate, and work in partnership with the vast majority of people who do want a better future for themselves and their children. Commission member John Lehman is right: Soft options are just as important as the hard ones. In both peaceful times and times of conflict, our mission is to ensure a vigorous American presence in the world, declaring our policies, demonstrating and communicating our values, forging links of mutual understanding and respect between peoples on a continuous and sustained basis. This is not the work of weeks or months; it is the work of years and generations. And this mission of soft power is a vital part of our homeland security.

Thank you so very much.

Mr. SMITH OF NEW JERSEY. Ms. Secretary, thank you very much for your testimony.

[The prepared statement of Ms. Harrison follows:]

PREPARED STATEMENT OF THE HONORABLE PATRICIA DE STACY HARRISON, ACTING UNDER SECRETARY FOR PUBLIC DIPLOMACY AND PUBLIC AFFAIRS, AND ASSISTANT SECRETARY, BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

Chairman Hyde, Congressman Lantos and members of the committee, thank you for inviting us here today to testify on the recommendations of the National Com-

mission on Terrorist Attacks Upon the United States. Your committee, Mr. Chairman, has long understood the importance of public diplomacy, and I welcome the opportunity to participate in this discussion so important to the security of our country.

Mr. Chairman, the findings and recommendations of the 9/11 Commission's Report present challenges for all of us. In the realm of public diplomacy, the report calls on us to define our message and ourselves, to stand for a better future, to defend our ideals and values, and to offer opportunity to youth.

We know that our greatest strength lies in our values. Whether as a new nation struggling for independence more than two centuries ago or now, when we have all the privileges and burdens of a global power—the heart of the American message to the world is one of values. We also understand that if we do not define ourselves, others will do it for us.

Following September 11, 2001, in discussions with this committee, and in conjunction with our embassies, the Broadcasting Board of Governors and others, we began to move forward with a strategy for America's public diplomacy. The foundation of our public diplomacy strategy is to engage, inform and influence foreign publics in order to increase understanding for American values, policies and initiatives. Through traditional programs and all the tools of technology, involving both the public and private sectors, we are communicating the principles and values that underpin our policies and define us as a nation. At the same time, we are working to increase mutual understanding and respect between the people of the United States and those of other countries.

After 9/11, we redirected funds to enable us to move quickly and reach beyond elites to strategic communities comprising young people, religious leaders, as well as the universe of people responsible for the education and development of young people—"youth influencers" from education ministers to classroom teachers to clerics, coaches and parents. We developed programs to reach people of good will, moderate groups working for the development of tolerant civil societies, journalists, women's groups, local leaders, clerics, community activists and more.

We have communicated our policy message through daily press briefings and public outreach by our missions around the world, as well as through our expanded web presence, speakers and publications. And, we communicate America's message through more than statements and speeches. In fact, one of the most powerful components of our public diplomacy programs are the 80,000 Americans who are reaching out to host our more than 30,000 academic, cultural and professional exchanges annually. We are working with 1,500 public-private organizations to improve lives in communities throughout the world. We know that one of our great assets in public diplomacy is the American people themselves, as they really are, not as they are caricatured. Programs that bring Americans and foreign citizens in direct contact can and do have tremendous positive impact.

We have formed partnerships with local institutions overseas, media and NGO's and others to extend our reach. We are funding English language programs, the language of opportunity for young people worldwide and, in the process, conveying information about U.S. society and values.

We continue to seek new ways to maintain important connections at a global grassroots level. For example, at a time when security concerns can constrain our ability to engage, one of our programs, American Corners provides a unique opportunity to maintain our involvement.

Media in all of its forms, from the Internet to print and broadcast, is an important component of public diplomacy. Our investment in training for journalists and cooperative television provides influential professionals with an entree to American society, where they can see for themselves how media in a free society works and observe for themselves that America is a free country with citizens of many faiths worshipping in their own way and coexisting equally. In other words, they can see how a civil society enhances the lives of all its citizens.

The vast majority of people around the world, including people in the Arab and Muslim world, share our values of freedom, human rights, opportunity and optimism, but many do not recognize America as champion of those values. We must compete to get our message across in an increasingly crowded and difficult competitive information environment, and Mr. Chairman, we do compete. We are working with the U.S. Agency for International Development to ensure recipients of our assistance recognize that assistance does come from the American people. The new Policy Coordinating Committee (PCC) on Muslim Outreach will strengthen coordination with the Department of Defense and other agencies. Our websites in Arabic and other critical languages communicate values as well as policy. Our partner in broadcasting, the Broadcasting Board of Governors, is dedicated to this objective.

Mr. Chairman, I believe our public diplomacy efforts are working in the right direction but there is a need to do more.

The Commission recommends that we work with moderate Arabs and Muslims to develop an "Agenda of Opportunity" built around education and economic development, a critical component of public diplomacy outreach. The report also advised that we must "rebuild the scholarship, exchange, and library programs that reach out to young people and offer them knowledge and hope." It is only through education and true communication that, as the 9/11 Commission Report puts it, "a moderate consensus can be found." We began to address this challenge, immediately following September 11, 2001, but this is not the work of weeks or months. It is the work of years and generations.

As a government, we must commit to a long-term and sustainable investment, engaging with people of good will at all levels of society, and especially to youth and those who influence youth. We must commit to increasing the numbers of people who can experience America beyond the headlines and misconceptions, through a visit to the U.S., interactions with Americans in their own country, through American Centers and through print and broadcast media and the internet. We must demonstrate our many positive values as a society—such as rule of law, civil society, women's rights, religious tolerance and freedom of the media—to as many foreign individuals as possible, so that they can be advocates within their own countries for a civil and sustainable future.

We welcomed the 9/11 Commission Report as it has affirmed the many important steps we have taken since 9/11, including refocused funding to priority regions, especially the Middle East and South Asia, which now account for 25 percent of all Department funding for exchanges. Through our International Visitor and other public diplomacy programs, we have prioritized themes such as religious tolerance, ethnic diversity, the value of an independent media, NGO management, civil society and governance, elections and educational reform in the Muslim world. We have also increased our foreign journalist tours and television cooperative productions in these regions. The primary audiences are young student and political leaders, women and journalists.

We launched CultureConnect, the cornerstone of our cultural diplomacy, a program that selects American men and women who have achieved prominence in literature, the performing arts, sports, and other areas and serve as Cultural Ambassadors overseas with a focus on non-elite youth. We have also launched Citizen Diplomats, another new initiative, that allows everyday Americans the opportunity to share their skills and expertise with people in other countries. We are also sending 900 American speakers to foreign posts each year; and have held over 450 digital video conferences.

Public Diplomacy Officers from our South Asia and Near Eastern Affairs Bureaus were on the ground immediately following the military campaigns in both Afghanistan and Iraq. Our 30 public diplomacy officers in Iraq constitute the largest public diplomacy operation in the world. By the end of FY 2004, the International Visitor Program will have developed a range of programs for Iraqi mayors, educators, spokespeople, NGO representatives and women. Throughout the world, and especially in countries with significant Muslim populations, our public diplomacy staffs are focused and working to reach those communities with an American message of hope and opportunity.

In the wake of 9/11, we began to produce a stream of print and electronic materials describing for foreign audiences, in their own languages, the events of 9/11 and the need to fight against those who have committed or wish to commit terrorist acts, as well as the achievements made in that struggle, particularly in Afghanistan and Iraq. More than 3,000 articles on terrorism have been published in the daily Washington File since 9/11. In the year following 9/11, the increase was 250 percent.

The Bureau of International Information Programs' (IIP's) print materials in Arabic are used by our embassies who share the material daily with press, academic, political and economic contacts either directly or indirectly through targeted mailing lists. The materials are available to foreign publics directly on the internet on our IIP sites, which receive over 3,100 page views per day. Also, over 1,200 Arabic users have signed up independently to receive our material each day on the Arabic listserv. Use is monitored and reported through our embassies in weekly reports citing placement of Arabic material from IIP's Washington File.

We have established Arabic websites: Our USINFO Middle East web page (<http://usinfo.state.gov>) is linked to 470 other Arabic sites. Since 9/11, we have quadrupled the number of pages that we have been producing in Arabic. Before 9/11, we translated 3,000 to 4,000 words per day; now we translate between 12,000 and 15,000 per day. Our policy focus on the region, the President's vision for Middle East peace, policy emphasis on the proposed Middle East Free Trade Area and Mid-

dle East Partnership Initiative provide new material for daily Arabic translation. Critical audiences identified by our Missions abroad include government officials, scholars, university professors, researchers, media representatives, and self-selected listserv recipients. Our statistical reporting on Arabic language web sites indicates that 85% of our web users are based overseas with more than 50% from the Middle East, notably Saudi Arabia, Egypt, UAE, Kuwait and Syria as leading users.

Since 9/11, we have also increased by one-third our Arabic translation staff and opened a Persian language capacity. In May of 2003, we opened a Persian language website, engaging Iranian youth and youth influencers. Working with the Coalition Provisional Authority and the new Embassy in Baghdad, we introduced Arabic papers on the “Principles of Democracy” to inform Iraqis as their new government is shaped.

One of our most visible and effective public diplomacy tools is American Corners. A visitor to an American Corner, which can be housed in a university or an office building, finds computers, books, magazines, and information about life in the United States, our government and our culture. More than 140 American Corners are now in operation around the world, and our goal is to establish another 60 this year, with an emphasis on the Muslim world. In South Asia and other regions, our missions continue to operate American Centers—significant community institutions that serve as platforms for public outreach and as models of shared commitments to models of educational excellence.

Under the Bureau of Public Affairs (PA), both the Foreign Press Centers for print and radio and Office of Broadcast Services for television have increased substantially the number of journalist tours to our country, and 50 percent are with journalists from Arab and Muslim-majority countries. Since 9/11, the Foreign Press Center has included in its programming a set of special briefings specifically designed for Arab and Muslim media, including briefings by senior-level officials like Secretaries Powell, Rumsfeld and Ridge, as well as Dr. Rice. During this time, there has been unprecedented access by the foreign media to U.S. Government officials.

After 9/11, we created the Media Outreach Center in London, which is actively reaching out to Arab media in London, many of which have wide exposure throughout the Middle East.

Television and video products continue to be powerful strategic tools for bringing America’s foreign policy message to worldwide audiences. PA has engaged international audiences with television pieces and documentary productions through television Co-Ops—filmed domestically by foreign broadcasters—and reverse Co-Ops in host countries. We are helping Arab and Muslim journalists produce balanced reports and documentaries on topics from policy to culture. We continue to produce “good news” stories on reconstruction in Iraq and Afghanistan that American and foreign news editors have incorporated in their programs, and we are distributing Department-oriented videos to foreign media outlets worldwide. We have purchased the re-broadcast and educational rights to over 100 commercial documentaries showing America’s government, society and values for broadcast on the American Embassy Television Network. The most popular series has been the American history program, “Freedom: A History of the U.S.” The other most requested titles include “American Cinema”, “Searching for the Roots of 9/11 with Thomas Friedman” and “Frontline: Muslims.”

Nearly every post in every region of the world has requested tapes and reported on the exceptional results. For example, two Indonesian stations broadcast the 26-part series “Framework for Democracy,” a documentary series about the reality of how a democratic government works. A Chinese audience viewed “Hollywood and the Muslim World,” raising the confidence that peaceful resolutions could be achieved between the Muslim world and the U.S.

To measure the effectiveness of our video products, we have partnered with *NewsMarket*, an internet-based worldwide video distribution service, which markets and distributes our products to more than 2,000 broadcasters and news agencies worldwide and provides routine monitoring and placement reports.

Our public diplomacy bureaus, in partnership with our regional bureaus around the world, have worked together to allay fears about domestic security and to educate foreign travelers about the revamped US visa process through the “Secure Borders, Open Doors” campaign, an interagency effort involving the Department of Homeland Security and others as well as State. Features of this initiative include a special website—www.unitedstatesvisas.gov—promotional materials and speaking points. Other materials on changes in our visa policy have been developed and promoted, with an educational video to be released in six languages this fall.

The Middle East Partnership Initiative (MEPI), funded at almost \$250 million, fosters reforms to expand political participation and increase the economic and edu-

cational opportunities available to the people of the Middle East and North Africa, with an emphasis on opportunities for women and youth.

Within our broad programs in the Arab and Muslim world, we have as a strategic priority a focus on younger audiences within these regions. Following September 11, 2001, the Bureau of Educational and Cultural Affairs (ECA) launched Partnerships for Learning (P4L), which directs ECA exchanges towards youth and youth influencers in the Arab and Muslim world to build long-term sustainable relationships. P4L is based on the premise that if terror is the common enemy, education is the common value. The ultimate goal of P4L is the establishment of close and sustained partnerships with other nations that help provide young people with quality education and opportunities in life that will deter them from despair and hate.

Since FY 2002, ECA has dedicated over \$40 million dollars to this new initiative. In FY 2005, ECA has requested an additional \$25 million for P4L, which would increase funding for the P4L initiative to over \$65 million. All of this will go to the Arab and Muslim world.

With this funding, we have initiated our country's first-ever government-sponsored high school program with the Arab and Muslim world. Last year, we had 170 students living with American families and attending U.S. high schools. This year, we will have 480, including students from Iraq and Afghanistan. By the 06-07 school year, we plan to have 1,000 high school students from the Arab and Muslim world studying side-by-side with our youth. This program was made possible through the volunteerism of hundreds of Muslim-American host families.

We have also created a new, undergraduate program specifically targeted at the non-elite, gifted young men and women from the Arab world who would otherwise have no opportunity for foreign study and first-hand exposure to the United States.

Under P4L, we also resumed the long-suspended Fulbright programs in Afghanistan and Iraq. We have directed \$3.1 million to fund a microscholarship initiative for English language instruction to more than 3,400 youth from disadvantaged backgrounds in the Muslim world. In July 2003, we also initiated a monthly Arabic youth magazine, "Hi", which now is available throughout the Arab world and has led to an interactive "web-zine" that last month attracted 30,000 visitors and well over 700,000 page views. What we are actively doing dovetails exactly with the recommendation from the 9/11 commission that our scholarship and exchange programs "reach out to young people and offer them knowledge and hope."

There is much more that needs to be done, and we are working now to put in place initiatives that I believe will strengthen public diplomacy for the years ahead.

The need to improve oversight and coordination of public diplomacy was identified in the report from the Public Diplomacy Advisory Group for the Arab and Muslim World, the "Djerejian Group." A specific recommendation in this and other reports was the establishment of an Office of Policy, Planning and Resources for Public Diplomacy and Public Affairs within the Office of the Under Secretary. We have identified people and resources necessary to create this office, which will assist the Under Secretary in developing a wide-ranging strategic vision for public diplomacy, oversight for resource allocation, and performance evaluation capacities that previously did not exist. I know public diplomacy performance measurement has been a concern, and though many public diplomacy activities are difficult to measure, I am pleased that this new office will be taking on this important task. We have already briefed committee staff on this office, and, subject to a notification letter, we hope to have the office up and running by September.

Another recommendation of the Djerejian Report was to reinvigorate an inter-agency Policy Coordinating Committee (PCC). We have done that, concentrating initially on Muslim outreach. I am now co-chairing this PCC, with the NSC, and we are examining ways to engage and support potential allies, opinion leaders, NGO's and youth influencers such as religious leaders, teachers and journalists in countries worldwide with significant Muslim populations. Our challenge is to move beyond quick-fix solutions to improve America's image, to create long-term sustainable relationships among people of good will at every level, especially in emerging and strategic communities.

Working with the Department's regional bureaus, the PCC has requested and received reports from our embassies on their specific strategies for Muslim outreach, the programs they are implementing which are working and those programs not yet in place they believe would be effective. Embassies are already heavily involved in Muslim outreach. The PCC will help us to take a broader view of the challenges and develop strategic approaches that can be applied to specific countries and regions.

Another priority endeavor is our engagement of the private sector in public diplomacy. Secretary Powell, an advocate of public-private partnerships, has asked the Office of the Under Secretary to take the lead in engaging with the private sector

in support of a wide-range of programs and initiatives. We launched the first Sister Cities International Partners for Peace Initiative between Iraq and the U.S., an initiative announced by the First Lady at the G-8 Summit. We worked with private sector partners to support the performance of the Iraqi National Symphony at Kennedy Center, and we are working with the Wheelchair Foundation to establish a new Middle East initiative to donate thousands of wheelchairs to Iraq, Morocco, Jordan, Oman and other areas in the Arab world.

Our outreach to the business community taps into America's strength: volunteerism. To enhance the scope of current programming and deliver our country's strategic public diplomacy and public affairs messages, we are working with the Bureau of Economic and Business Affairs and the U.S. Department of Commerce and have reached out to U.S. corporations and associations such as the U.S. Chamber of Commerce Center for Corporate Citizenship, the Business Roundtable, National Foreign Trade Council, Business for Diplomatic Action, Council on Competitiveness and the Young Entrepreneur Organization. We are evaluating corporate stewardship and corporate social responsibility trends demonstrated by U.S. companies throughout the Arab and Muslim world and working to expand our outreach to complement and highlight America's generous private sector contributions.

Interagency coordination is active, as described earlier with regard to the PCC, in addition to other interagency working groups. I would also like to note that the Department continues its close working relationship with the Broadcasting Board of Governors. Secretary Powell is a board member, and I represent him at the board meetings in my role as the acting Under Secretary. The 9/11 Commission's report commends the BBG for its new initiatives to reach out to the Arab and Muslim world. Radio Sawa and Radio Farda, along with the Middle East Television station Alhurra, and the new Urdu and Indonesian VOA services are reaching broader audiences with innovative and unbiased programming. Because of these initiatives, our country is now being presented in a much more honest context in regions where our media presence is vital.

In conclusion, Mr. Chairman, September 11, 2001 was a wake-up call for public diplomacy as for all of America. In the almost three years since that horrendous day, we have channeled much of our public diplomacy program toward the Arab and Muslim world. We are developing new programs and refining our strategy, and I believe we are making progress. Recent steps, including our new Office of Policy, Planning and Resources as well as the new Policy Coordinating Committee, will contribute substantially to our ability to carry out our mission and meet the recommendations of the 9/11 Commission and others. We are undertaking a new, comprehensive process of measurement to determine that our strategy and programs are effective.

As we continue to work toward a more robust and effective public diplomacy effort, we welcome the interest and continued support we have received from the administration and Congress. I appreciate the opportunity you have given me to discuss public diplomacy with you today, and I look forward to your questions.

Thank you.

Mr. SMITH OF NEW JERSEY. And now Ambassador Harty.

STATEMENT OF THE HONORABLE MAURA HARTY, ASSISTANT SECRETARY, BUREAU OF CONSULAR AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. HARTY. Mr. Chairman, Members of the Committee, thank you very much for inviting me to testify today on behalf of the Bureau of Consular Affairs. We welcome the Commission's report and the opportunity to comment on its recommendations.

Since my confirmation as Assistant Secretary, we have examined our consular processes from top to bottom to strengthen them as a shield against terrorists. I am pleased to report that we have made significant progress in improving our border security through changes to the visa process through the use of biometrics and enhanced information sharing within the U.S. Government and with our allies in the war on terror. Our goals are to push out our borders beyond the physical limits of the United States to identify terrorists and to deny them entry to the United States.

The list of improvements that I have runs about 11 pages long, sir. I would like to highlight a few of the most important and submit the entire list for the record.

In visa processing, we have established a new worldwide policy for interviewing and added additional security clearance checks for counterterrorism purposes for certain groups of applicants. We have strengthened the procedures for revocations of visas to ensure timely notification to the Department of Homeland Security and the FBI. We have started automated cross-checking of new derogatory information against lists of visas already issued. We have created more than 350 additional consular positions.

We have introduced a tamper-resistant nonimmigrant visa foil and established a vulnerability assessment unit to detect possible malfeasance. We have improved the training we give consular officers to ensure that they have the best tools available to ferret out possible terrorists. We have improved the basic consular course by adding units on counterterrorism and security. We have lengthened the course to include more training on visa fraud and analytical interviewing techniques, and we are providing copies of the 9-11 Commission's report to all students in the basic consular course.

Since September 11, the Department of State, working with other agencies, has greatly expanded our ability to share information. The majority of the data in the consular lookout system today is derived from other agencies, primarily the law enforcement and intelligence communities. And we provide access to our 82 million records to the Department of Homeland Security (DHS) officers at ports of entry so that they can view the electronic files of every visaed passenger attempting to enter the United States. We contributed the tip-off watchlist as the foundation for the comprehensive terrorist watchlist at the Terrorist Threat Integration Center, and we joined in the interagency effort to establish the Terrorist Screening Center.

As the Commission's report stresses, the use of biometrics and international travel documents is greatly improving our ability to verify the identity of prospective travelers who might be terrorists or otherwise represent a threat to our security. Together with the DHS we are creating a biometric system to track the entry and exit of foreigners by using electronically-scanned fingerprints and digital photographs. This new system begins when a consular officer collects electronically-scanned fingerprints at posts abroad and continues through DHS's USVISIT program at ports of entry and exit.

The visa is not our only biometric initiative. We are working with our partners in the visa waiver program to introduce biometric passports as another layer in border security. We ourselves will soon place contactless chips into U.S. passports to establish a clear link between the person issued the passport and the bearer of that passport. The chip will contain the bearer's biographic information and photograph. These more secure passports will be introduced later on this year, and we expect to be in full production by the end of 2005.

A key element in our efforts to thwart the international travel of terrorist criminals and those who might do us harm is sharing data electronically on lost and stolen passports. Our consular database provides data on lost and stolen passports to all U.S. ports of

entry within seconds of our receiving that information. We have expanded this program to the international level with the transfer, in early May of this year, of data on 300,000 lost and stolen passports to Interpol.

Just as we have increased data-sharing with the U.S. Government and with Interpol, we are working to establish agreements with our allies on the exchange of terrorist information. We already have terrorist screening information exchange agreements with Canada and Australia. And we will use these as models to expand this program to other visa waiver program countries.

We are taking both a bilateral and a multilateral approach to this issue. We are in regular contact with the United Kingdom. We are also working with the European Union, which is now designing its own common visa lookout system to find ways to build even greater and broader cooperation.

Mr. Chairman, Members of the Committee, you have my pledge that the Bureau of Consular Affairs and the Department of State are committed to keeping our visas and our passports out of the hands of those who would do this country harm. I thank you for the opportunity to be here today.

Mr. SMITH OF NEW JERSEY. Ambassador, thank you very much for your testimony.

[The prepared statement of Ms. Harty follows:]

PREPARED STATEMENT OF THE HONORABLE MAURA HARTY, ASSISTANT SECRETARY,
BUREAU OF CONSULAR AFFAIRS

Mr. Chairman, Ranking Member, members of the Committee:

Thank you for inviting me to testify on behalf of the Bureau of Consular Affairs. We worked closely with the 9/11 Commission, meeting with its staff frequently and forwarding more than 15,000 pages of documents for review. We welcome the Commission's report and appreciate the opportunity to comment on its recommendations on targeting terrorist travel and exchanging terrorist information with trusted allies. We have made significant progress in improving our border security through changes to the visa process, the use of biometrics in visas and passports, and enhanced information sharing within the U.S. government and with our allies in the War on Terror. Our goal is to push the very borders beyond the physical limits of our nation to identify terrorists before they begin their travels and deny them entry to the U.S.

The terrorist attacks of 9/11 highlighted as never before the crucial role the Bureau of Consular Affairs plays in U.S. border security through the visa process. As the Commission's report so succinctly notes, "For terrorists, travel documents are as important as weapons." Since my confirmation as Assistant Secretary of State for Consular Affairs in November 2002, we have examined our consular processes from top to bottom to make them as strong a shield against terrorists as we possibly can. The Consular Officers of the Foreign Service who adjudicate visas at 211 embassies and consulates abroad are truly our first line of defense. They must have the best information available within the U.S. government on terrorist threats and the best tools and the best training to help them disrupt terrorist travel.

Since 9/11, the Department of State, working with other agencies, has made significant improvements to our ability to share information. Thanks to this new level of collaboration, the data holdings in our consular lookout system now total almost 18 million records on people potentially ineligible to receive visas, nearly triple what we had prior to September 11. We now have more than eight million records from the FBI alone in our system. In fact, the majority of the data in the consular lookout system now derives from other agencies, especially those in the law enforcement and intelligence communities. Information sharing, of course, must be reciprocal. We now provide access to the 75 million visa records in our consular database to DHS officers at ports of entry so that they can view the electronic files we have of every passenger with a visa who will be entering the United States. This database permits examination of detailed information in near-real time on all visas issued, including the photographs of nonimmigrant visa applicants. We are also sharing our consular

database with the National Targeting Center, a 24/7 operation of Customs and Border Protection in DHS.

We also joined in the establishment of the Terrorist Screening Center (TSC) that integrates terrorist watchlists and serves as the centralized point of contact for everyone from the police officer on the beat here in the U.S. to the consular officer in the farthest reaches of the globe. Together with the Terrorist Threat Integration Center (TTIC), which maintains the principal database on known and suspected international terrorists in a highly classified form, we rely on the TSC to ensure consular officers have access to the information they need to deny visas to those who would do us harm. We are proud that these institutions rest on a foundation that the Department of State laid in the form of TIPOFF, a pioneering system in the use of classified information for screening purposes. I am particularly proud that much of the cost of developing and operating TIPOFF was funded through the fees collected through the Border Security Program which the Bureau of Consular Affairs manages for the Department. The TIPOFF database with its approximately 120,000 records, more than double the amount since September 11, is now housed at TTIC. TTIC and TSC together eliminate the stove-piping of terrorist data and provide a more systematic approach to posting lookouts on potential and known terrorists.

As the Commission report clearly stresses, the inclusion of biometrics in international travel documents, such as passports and visas, is an important step in continuing to improve our ability to verify the identity of prospective travelers to the United States and to identify individuals who might be terrorists or other aliens who might represent a security risk to the United States. We are moving forward aggressively in implementing programs that use biometric identifiers in both visas and passports.

Together with DHS, we are creating a biometric system to track the entry and exit of foreign visitors by using electronically scanned fingerprints and photographs. This new system begins with consular officers collecting electronically scanned fingerprints at consular sections abroad and continues with DHS's US-VISIT program at ports of entry and departure. These fingerprints will be matched in a classic "one-to-many" application of biometrics against the DHS fingerprint database known as IDENT. Then when visa travelers enter the United States, their identity will be verified through DHS's new US-VISIT program. This one-to-one fingerprint comparison ensures that the person presenting the visa at the port of entry is the same person to whom the visa was issued. In September 2003, we began deployment of our biometric visa program at posts abroad to collect electronically scanned fingerprints of all visa applicants. More than 180 posts are now collecting fingerprints, and all 211 will be on-line by October 26, 2004. We also began issuing biometric immigrant visas and will have this program operational at all immigrant visa-adjudicating posts by the same date.

In addition to enhanced information sharing and the biometric visa program, we have made numerous improvements to visa processing. To name just a few, we:

- established a new worldwide policy for interviews so that nearly all applicants must now be interviewed;
- amended regulations to close a loophole and limit the ability of persons with expired visas to reenter the U.S. from contiguous territory (i.e. Mexico, Canada, the Caribbean);
- added new or adapted existing security clearance checks for counter-terrorism purposes for certain groups of applicants;
- strengthened procedures following revocation of a visa by ensuring timely notice of the revocation to DHS and the FBI;
- started automated cross-checking of new derogatory information concerning terrorists or suspected terrorists (including TIPOFF entries) against records of previously issued visas in order to revoke existing valid visas in the hands of those about whom we have received post-issuance derogatory information and who may be a threat;
- created more than 350 additional consular positions;
- enhanced internal controls and introduced a new tamper-resistant non-immigrant visa foil;
- implemented a system of consular management assistance teams to visit posts and review management controls and procedures;
- established in cooperation with DS, a Vulnerability Assessment Unit to detect possible malfeasance; and,

- issued more than 75 Standard Operating Procedures (SOPs) to posts to standardize consular procedures worldwide.

Our goal is to provide consular officers with the best tools and training available as they begin their critical roles abroad in protecting U.S. border security. To this end, we have made major changes in the consular training course by adding four security/counter-terrorism sessions since 2001. Two of those classes deal specifically with counter-terrorism information, one of which is run by CIA/CT staff. The other session is a presentation on the consular officer's role in counter-terrorism, presented by the Secretary's Coordinator for Counter-Terrorism. Consular training now includes a third new session run by Diplomatic Security on visa fraud and malfeasance, which includes a piece on how to protect against visa fraud. The fourth "add-on" session is a lecture on how consular officers should effectively use the terrorism provision of the Immigration and Nationality Act. In order to bring expertise on interviewing and deception-detection to our students, we created and implemented a two-day module on analytic interviewing techniques. By adding important modules and increasing the length of the basic consular course to 31 days, we believe that we are presenting important, useable information on interviewing and counter-terrorism to our students.

The U.S. visa is not our only biometric initiative. Embedding biometrics into U.S. passports to establish a clear link between the person issued the passport and the user is an important step forward in the international effort to strengthen border security. To this end, we are introducing "contactless chips" into U.S. passports, electronic chips on which we will write the bearer's biographic information and photograph. The inclusion of a "smart" chip in the passport will significantly increase the security of the document. This "one-to-one" biometric application takes full advantage of the accuracy of Facial Recognition technology as well as the global acceptability of the photograph as a non-intrusive biometric. This initiative is also consistent with U.S. legislation that requires our Visa Waiver Program (VWP) participants to take such a step, but is not required of us. We are nonetheless pursuing the initiative because it supports U.S. national security. We also recognize that convincing other nations to change and improve their passport requires U.S. leadership both at the International Civil Aviation Organization (ICAO) and practically by introducing these changes into the U.S. passport. The Department of State expects to introduce biometric passports later this year and to be in full production by the end of 2005.

The addition of biometrics is just one of our many efforts to enhance the integrity of the U.S. passport. In 2002 we returned the production of passports issued abroad to our U.S. domestic production facilities so that we can benefit from the significant security improvements embodied in the photodigitization process. This is an entirely new technique that takes advantage of the many improvements in digital technology during the last decade. All domestically produced passports have been photodigitized since the late 1990's. We have now produced over 35 million passports using this technique. We are also undertaking a total redesign of our passport book to introduce the latest generation of security features as well as a total update of the physical appearance of the inside of the book; have implemented and expanded our data base which immediately alerts ports of entry to any passports reported lost or stolen; and are negotiating new datasharing agreements with other agencies to further strengthen the passport adjudication process.

Having a more secure passport, a strengthened adjudication system and embedded biometrics will help prevent the misuse of passports. Another important step in this process is sharing data on lost and stolen passports with the Department of Homeland Security and Interpol. This has been a long-term goal of the Department of State and is a key element in our efforts to frustrate international travel by terrorists, criminals and alien smugglers. We developed and deployed our Consular Lost and Stolen Passports (CLASP) database in 2002. This initiative provides lost and stolen U.S. passport data to all Ports of Entry (POE) within seconds of receiving the information. With the assistance of our colleagues at the U.S. National Central Bureau, in May 2004, we expanded this critical program to the international level with the transfer of more than 300,000 lost or stolen passports to INTERPOL.

Just as we have greatly increased information and data sharing within the U.S. government and with INTERPOL, we seek to exchange terrorist screening information with our allies in the War on terror. The USA PATRIOT Act authorizes the Secretary of State to provide information to foreign governments from the State Department's computerized visa screening databases. The first part of this new authority allows the Secretary of State, on a reciprocal basis, to establish agreements to systematically share visa information, including information for the purpose of pre-

venting terrorism, on a case-by-case basis. With this specific authority, we are seeking to establish agreements with foreign governments on exchange of visa screening information, beginning with those countries benefiting from the Visa Waiver Program (VWP).

In particular, we plan to enhance terrorist screening information exchange with the two countries (Canada and Australia) with whom we already have terrorist screening information exchange agreements. We plan to use these agreements as a model for agreements with other VWP countries. For the remaining Visa Waiver Program countries and for those countries later identified by the working group as priorities, the State Department is coordinating an approach relevant to each country. A bilateral approach will allow us to fashion our discussions with each nation according to the level of cooperation we foresee as desirable and possible in view of the broad range of domestic laws of our potential partners and differences in the use of technology.

The State Department is already engaged in efforts with a number of countries and the G-8 to share general visa screening information. We will take advantage of, and expand upon these efforts to include terrorist screening information. Although the State Department will continue to lead the diplomatic effort for reciprocal exchange of terrorist screening information with foreign partners, the TSC and TTIC, as the implementing entities of any such agreements, the FBI and others will join with us in these efforts to leverage information currently collected and relationships with foreign governments that have already been established.

With our partner agencies in the U.S. government, we continue to seek every day better ways to improve on what we have accomplished to make our nation's borders more secure. As the 9/11 Commission report notes, "Defenses cannot achieve perfect safety. They make targets harder to attack successfully, and they deter attacks by making capture more likely." The Bureau of Consular Affairs, like the rest of the Department of State, is determined to spare no effort to secure our borders against terrorist and criminal threats and to create consular processes in which the American people can place their confidence and trust. Thank you.

Mr. SMITH OF NEW JERSEY. Ambassador Taylor.

STATEMENT OF THE HONORABLE FRANCIS X. TAYLOR, ASSISTANT SECRETARY, BUREAU OF DIPLOMATIC SECURITY, AND DIRECTOR OF THE OFFICE OF FOREIGN MISSIONS, U.S. DEPARTMENT OF STATE

Mr. TAYLOR. Thank you, Mr. Chairman, for the opportunity to appear before the Committee this morning. Through my testimony I hope to convey to you that we are working as a key partner with our colleagues throughout Government to assure the security of our Nation.

The focus of Diplomatic Security (DS) immediately after 9/11 remained what it was before 9/11, that is, our core mission to protect our people and Embassies which are on the front lines of the war on terror. Yet we do more than maintain the security of State Department people, facilities and information. Our mission requires us to enhance our partnerships with other national security agencies and with other governments worldwide to stymie terrorist activities.

We in DS, in collaboration with our partners, have already made improvements that are consistent with the Commission's recommendations. I would like to briefly address some of these today, particularly how we work to ensure U.S. travel documents do not fall into the wrong hands, how we are an asset to the national security community in the realm of intelligence sharing and management, and how we reinforce the capabilities of foreign governments to fight terrorism.

In response to the threats posed by travel document fraud, DS works as a global law enforcement force. We are responsible for protecting the integrity of the U.S. passport and visas, and we are

increasingly focusing our investigations to do so. Seven hundred sixty-two individuals were arrested on DS charges in 2003, and 401 already have been arrested this year. This is a 63 percent increase in arrests by Diplomatic Security since 9/11 on visa and passport charges.

We are continually fostering cooperation with international police and collaborate with American law enforcement agencies to combat those who endanger our national security. Key to our work is our partnership with the Bureau of Consular Affairs. We have worked to promote a proactive, zero-tolerance policy on passport and visa fraud malfeasance. In coordination with Consular Affairs, we recently established 25 investigative positions at typically high-fraud posts overseas. Over the past 6 months alone, those investigators have participated in the arrest of approximately 200 individuals on fraud-related charges as a result of their cooperation with other nations' law enforcement agencies.

On the domestic front, we partnered with the Department of Homeland Security's Bureau of Immigration and Customs Enforcement in an operation we call Global Pursuit. We have established investigative units at 11 international airports to better respond when individuals are identified as traveling on counterfeit documents to collect intelligence and to trace that back to the point of origin.

We have also successfully petitioned the U.S. Sentencing Commission to increase the minimum sentencing for passport and visa fraud offenses. We have been admitted to the Department of Justice Asset Forfeiture Fund program, and that also allows us to seize assets from those who profit from these crimes.

In the arena of intelligence, I, along with many of my colleagues here, participate in the Counterterrorism Security Group, or the CSG, which serves to share information and coordinate counterterrorism actions on a daily basis against the threats to U.S. interests domestically and abroad. Each morning I attend a meeting chaired by Homeland Security Adviser Fran Townsend, and that meeting is attended by key representatives from Homeland Security, FBI, CIA, DoD, DHS, DOJ, Treasury and the Terrorist Threat Integration Center. A staff level meeting is conducted every afternoon for those same agencies.

Ambassador Black and I have a rather unique perspective on the CSG, having both served as members since before 9/11, I as the Secretary's Coordinator for Counterterrorism and Ambassador Black as the head of the CTC at CIA. And since I have served since taking this position, my perspective therefore includes both pre- and post-9/11 participation, as well as responsibility for both the policy side and the operational side of counterterrorism within our department.

Given this perspective, I can say that even before 9/11 the quality of the CSG as a forum for cooperation among counterterrorism agencies was the best forum I have witnessed in 35 years of Government service. I believe it was and remains the Nation's premier intelligence sharing mechanism.

The level of cooperation and urgency reflected in the CSG has certainly increased since 9/11. It is mirrored repeatedly in the day-to-day operational levels throughout Federal counterterrorism task

forces around the country. It is also reflected in our liaison personnel and inspection initiatives, such as our ongoing efforts to provide a safe and secure Olympics for American athletes and American citizens in Athens, an initiative we have worked closely with you, Mr. Chairman, and with your staff.

DS is also an information sharing resource to the American private sector. Our Overseas Security Advisory Council helps businesses and organizations cope with security threats by providing real-time, Web-based information sharing on security situations worldwide 24 hours a day, 365 days a year.

Apart from law enforcement and information sharing, DS serves another key function in our Government's strategy to combat terrorism, which is to raise the counterterrorism capabilities of our allies. We work closely with Ambassador Black's team and SCT with our antiterrorism assistance program, or ATA, to provide terrorism-focused police training to civilian security personnel from friendly governments.

ATA-trained forces are assets to their countries and ours. The ATA-trained Indonesian National Police Task Force 88 has arrested 110 suspected members of groups with known ties to al-Qaeda. These groups are responsible for a series of terrorist attacks, including the 2002 Bali nightclub bombing.

The ATA-trained Pakistani Special Investigations Group recently arrested 12 persons suspected of the attempted assassination of Prime Minister-designate Shaukat Aziz.

Raising the counterterrorism capability of other states fosters ongoing relationships with law enforcement officials from our countries and theirs. More importantly, it stops the potential terrorist attacks against Americans' interests at sites of their genesis. Paving the way for future successes, the Congress has expanded the ATA budget from \$39 million in 2001 to \$176 million in 2004.

The recommendations of the 9-11 Commission underscore and are aimed to institutionalize what is already in progress in our daily work: Interagency cooperation. Diplomatic security continuously seeks to cultivate relationships with our colleagues worldwide, so that we can best utilize our expertise and unique resources to safeguard our Nation's borders. Safe and secure diplomatic platforms are the key to that effort and congressional oversight and support are important parts of that process.

Mr. Chairman and Members of the Committee, I thank you for the opportunity to appear this morning, and once my colleagues have finished their testimony, I would be pleased to respond to your questions.

Mr. SMITH OF NEW JERSEY. Ambassador Taylor, thank you very much.

[The prepared statement of Mr. Taylor follows:]

PREPARED STATEMENT OF THE HONORABLE FRANCIS X. TAYLOR, ASSISTANT SECRETARY, BUREAU OF DIPLOMATIC SECURITY, AND DIRECTOR, OFFICE OF FOREIGN MISSIONS

Good morning Mr. Chairman and distinguished members of the Committee. Before I begin, I would like to thank you and the members of your committee for this opportunity to share the mission of the State Department's Bureau of Diplomatic Security and our significant role in the Global War on Terror. Through my testimony, I hope to convey to the committee that Diplomatic Security (DS) is a key

partner to our colleagues throughout government working to assure the security of our nation.

We have made significant improvements over the past three years in our efforts to fight terrorism, and we continue to work on strengthening the U.S. Government's capability in this fight. The Department's Bureau of Diplomatic Security plays a vital role in defending U.S. interests through the protection of our embassies, which provide a secure environment for diplomatic operations, consular work, law enforcement and other official activities around the world. The focus of DS immediately after 9/11 remained our core mission, to protect our people and embassies around the world. That mission required us to enhance our partnerships with other national security agencies and with other governments worldwide to address the problems that cultivate terrorism and to stymie terrorist activities. Within the State Department, we have worked to instill security awareness in our employees because they are the front lines in the war on terror, not just in a preventative sense in their outreach to other nations on the diplomatic level, but also in a battlefield sense because our embassies have been targets for terrorist attacks. We in DS, in collaboration with our partners, have already made changes that are consistent with the Commission's recommendations. I want to focus on these in my testimony:

- Ensuring that U.S. travel documents do not fall into the wrong hands;
- Being an asset to the national security community in the realm of information sharing and management; and
- Reinforcing the capabilities of foreign governments to fight terrorism.

All of our activities are contingent upon Congressional support, and we are grateful for the funding and other support you have given us to achieve our mission.

LAW ENFORCEMENT: FIGHTING TRAVEL DOCUMENT FRAUD AND ALIEN SMUGGLING

More than ever, terrorism, alien smuggling and other transnational crimes represent a severe threat to American interests. In response, Diplomatic Security works as a global force in this continuous fight for our nation's security. As the law enforcement arm of the State Department, DS has statutory responsibility for protecting the integrity of the U.S. passport and visas—the “gold standard” of international travel documents. We are the most widely represented U.S. security and law enforcement organization, with more than 1,300 Special Agents serving overseas at U.S. diplomatic missions and in the United States. The majority of these work full time maintaining the security of our people, facilities and information, but we have put a higher priority on our investigative focus. Shortly after taking charge of DS, I directed that a minimum of nine percent of our Special Agents would be available daily for investigative work. The results were excellent. Our investigative productivity on visa and passport fraud has improved substantially in the past two years—762 individuals were arrested on DS charges in 2003 and 401 were arrested through the first half of this year. We are also aggressively attacking visa fraud involving State Department officials. A total of 168 internal fraud investigations have resulted in the arrest of 12 employees since 9/11.

We continually foster cooperation with international police and collaborate with American law enforcement agencies to combat those who endanger our national security. Key to our work is our partnership with the State Department's Bureau of Consular Affairs (CA). In an outgrowth of our shared mission to protect the integrity of the passport and visa issuance processes, DS and CA joined together to promote a proactive, zero-tolerance policy on passport and visa malfeasance. A major joint initiative was the establishment of the Vulnerability Assessment Unit (VAU), which analyzes consular data, systems and procedures to identify vulnerabilities to the visa issuance process and specific instances of consular malfeasance and internal corruption.

Based upon the successes of this unit, DS and CA are planning to expand this concept to encompass external fraud and alien smuggling. Once established, this external fraud unit will make us better able to assess criminal intelligence and fraud information from our overseas posts and domestic passport agencies—thereby more effectively targeting visa and passport brokers who seek to corrupt the system. In further coordination with CA, we recently established 25 investigative positions at typically high-fraud overseas posts in Nigeria, Mexico, Thailand, the Philippines and elsewhere. Over the past six months, approximately 200 individuals from around the world have been arrested on fraud-related charges as the result of cooperative efforts between DS agents and host nation law enforcement.

On the domestic front, DS is making great strides on several initiatives designed to enhance the power behind our enforcement capabilities. DS successfully petitioned the U.S. Sentencing Commission to increase the minimum sentences for pass-

port and visa fraud so that when they become effective in November 2004, our investigations become more attractive for prosecution and serve as a true deterrent to future criminals. DS has also been admitted into the Department of Justice Asset Forfeiture Fund program, which allows it to seize the assets of those who profit from passport and visa fraud.

The cooperation among agencies recommended by the 9–11 Commission is already at work in a number of key areas, including law enforcement. This year alone, DS agents have assisted other agencies with the arrest of 56 U.S. fugitives overseas. DS works with federal agencies including the U.S. Marshals Service, the FBI, DHS Immigration and Customs Enforcement, the Internal Revenue Service, the U.S. Postal Inspection Service and others, along with numerous state and local law enforcement agencies and host country governments to track down these fugitives. Furthermore, we have the example of Global Pursuit, a program with Department of Homeland Security's (DHS) Bureau of Immigration and Customs Enforcement (ICE) and airport authorities in which DS established investigative units at 11 international U.S. airports to better respond when individuals are identified as traveling on counterfeit documents. Another example of this cooperation is the inter-agency Human Smuggling and Trafficking Center, which was recently re-established by the Secretary of State, the Secretary of Homeland Security and the Attorney General to bring together federal agency representatives on a full-time basis to convert intelligence into effective law enforcement and other action against the international criminal networks that illegally smuggle and traffic in people across borders. The Human Smuggling and Trafficking Center is an all-source intelligence/law enforcement/policy fusion center and information clearinghouse with a strong foreign focus.

INTELLIGENCE SHARING: THE COUNTERTERRORISM SECURITY GROUP (CSG)

Intelligence sharing among DS and other agencies existed before 9/11, but the quality of information exchange and effectiveness has improved significantly since then. Apart from the DS intelligence liaison with DHS, the Terrorist Threat Integration Center (TTIC), the Transportation Security Administration (TSA) and the U.S. Capitol Police, we also participate in the Counterterrorism Security Group (CSG), a very important forum directed by the National Security Council and comprised of various U.S. government agencies involved in counterterrorism. The purpose of the CSG is to share information and coordinate counterterrorism action on a daily basis against threats to U.S. interests domestically and abroad. Each morning I attend a meeting chaired by Homeland Security Advisor Fran Townsend and attended by key representatives from the Homeland Security Council, FBI, CIA, DoD, DHS, DOJ, Treasury and TTIC. A staff-level meeting is conducted every afternoon, in which the progress on the day's issues is discussed and late-breaking information is shared.

I have a unique perspective of the CSG, having been a member from July 2001 to November 2002 as the Secretary's Coordinator for Counterterrorism (S/CT), and from that point to the present as the Assistant Secretary for Diplomatic Security. Hence, my perspective includes pre- and post-9/11 participation as well as responsibility for both the policy side and the operational aspect of counterterrorism.

Given this perspective, I can say that even before 9/11 the quality of the CSG as a forum for cooperation among counterterrorism agencies was the best I had seen in 35 years of government service. Certainly there was opportunity for improvement, as shown by the 9/11 Commission's work. But in my opinion, it has always been and remains the nation's premier intelligence-sharing mechanism. The quality of the interaction has improved, and, having witnessed the level of cooperation during emergencies and periods of heightened alert, I can say that the benefit of the CSG for the United States is tremendous. The CSG, in promoting ever more comprehensive analysis of intelligence, has improved the quality of the intelligence we receive from our collectors in the field. We are all working ever more closely together. The level of cooperation and urgency reflected in the CSG is mirrored repeatedly in the day-to-day operational levels through federal counter terrorism task forces around the country, our liaison personnel, and in special initiatives such as our ongoing effort to provide a safe and secure Olympics for American athletes and citizens in Athens—an initiative on which we have worked closely with you and your staff.

INFORMATION SHARING: THE OVERSEAS SECURITY ADVISORY COUNCIL (OSAC)

Diplomatic Security also is an information-sharing resource to the American private sector operating abroad. Our Overseas Security Advisory Council (OSAC) helps businesses, universities, religious groups and non-governmental organizations cope

with security threats by sharing information on crime and terrorism and by providing insight into political, economic, social and cultural climates around the globe. OSAC began in 1985, but it has grown significantly in the past few years, including a Web site which reaches more than 1.8 million visitors per month and an email circulation averaging 200,000 recipients monthly. The service we provide is unique—real-time, web-based information sharing on the security situation abroad as it affects its constituents. OSAC is replicated around the globe through its country council program at 81 cities. The councils provide the forum that brings together U.S. diplomatic personnel and the private sector to share information about security issues of mutual concern in the region. Each country council operates its own Web site, so that there is a continuous link between the public and private sectors. Our goal is to have 100 country councils operating by the end of 2004.

FOREIGN GOVERNMENT ANTITERRORISM TRAINING

Diplomatic Security also shares its expertise in counterterrorism capabilities with foreign governments. Through our Anti-Terrorism Training Assistance Program (ATA), which provides terrorism-focused police training to civilian security personnel from friendly governments, we work with Ambassador Cofer Black's team at S/CT to increase the capacity of other states to fight terrorism. Since its inception in 1983 we have trained more than 36,000 foreign police officers from more than 130 countries in counterterrorism disciplines such as bomb detection, crime scene investigations, crisis management, airport and building security, maritime security, dignitary protection and more. Once trained, these law enforcement officials are better prepared to institutionalize their training, develop national operational and tactical strategies to fight terrorism, and to protect their own citizens and ours overseas during heightened threat situations or related crises.

The ATA program is yielding concrete results. For example, the ATA-trained Indonesian National Police "Task Force 88" has arrested 110 suspected members of the Jemaah Islamiah and Free Aceh Movement terrorist organization with known ties to Al-Qa'ida. These are the groups responsible for a series of bombings, including the 2000 Christmas church bombings, the 2002 Bali and J.W. Marriott bombings, and the failed bombing attempt in the Medan Shopping Center mall.

Another example comes from Pakistan. Recently, the ATA-trained Pakistani Special Investigation Group arrested 12 persons suspected of the attempted assassination of Prime Minister-designate Shaukat Aziz. The group traced fragments of a bomber's shirt to the suspects. The group also arrested five Iraqi nationals and confiscated suspected counterfeit documents near Islamabad. These Iraqis had been residing in Pakistan illegally for four years and possessed large amounts of currency without visible means of financial support. The case is being pursued as a potential terrorist-related event.

As these results show, raising the counterterrorism capacity of other states has reaped multiple benefits. Governments have a vested interest in combating terrorism that affects their own national security and the security of their regimes. Our cooperation assures us of the quality of their training and the extent of their capabilities. It fosters ongoing relationships with law enforcement officials from our country and theirs. And most importantly (though this is most difficult to measure), it stops potential terrorist attacks against American interests or the United States itself at the site of their genesis.

I appreciate the support we have received from Congress for our efforts to address terrorism by innovative means through the ATA program. This is reflected in ATA's greatly increased budget. When I was the Coordinator for Counterterrorism in 2001, the annual funding for our ATA program was \$39 million. For 2004 Congress appropriated the program \$176 million.

COUNTERTERRORISM OUTREACH: REWARDS FOR CAPTURE OF TERRORISTS

I am also grateful for Congressional support for our Rewards for Justice Program, which is another key tool in the U.S. Government's antiterrorism efforts. Since its inception in 1984, the program has paid out over \$57 million for information leading to the capture of terrorists or individuals associated with terrorist-friendly regimes. Most recently we have paid rewards for the apprehension of Colombian rebels who kidnapped four U.S. Citizens and killed one of them. We have also paid informers who contributed to the capture of members of the former Iraqi regime from the infamous deck of cards, including Saddam Hussein's sons, who were the Ace of Clubs and the Ace of Hearts.

CONCLUSION:

The recommendations of the 9–11 Commission underscore and are aimed to institutionalize what is already in progress in our daily work: interagency cooperation. We fully agree that inter-agency cooperation breeds mission success. For this reason, Diplomatic Security continuously seeks to cultivate relationships with our law enforcement colleagues worldwide so that we can best utilize our expertise and unique resources to safeguard our nation's borders. If we are to be successful—and we will be successful—we need to continue the high levels of interagency cooperation currently underway within our government and enhance the levels of cooperation and the intelligence and investigative capability of our foreign allies. Safe and secure diplomatic platforms are key to that effort, and congressional oversight and support are an important part of the process. Mr. Chairman, Members of this Committee, I thank you for the opportunity to appear before you and will be happy to answer any questions you may have.

Mr. SMITH OF NEW JERSEY. Secretary Wayne.

STATEMENT OF THE HONORABLE EARL ANTHONY WAYNE, ASSISTANT SECRETARY, BUREAU OF ECONOMIC AND BUSINESS AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. WAYNE. Chairman Smith and distinguished Members of the Committee, thank you for the opportunity to testify from the perspective of the Bureau of Economic and Business Affairs at the State Department. We, of course, like all others, applaud the work of the 9–11 Commission, and we were happy to be able to cooperate with them in the form of many interviews and the sharing of many documents.

I would particularly like to comment on two of the recommendations of the Commission Report. One notes the utility of tracking terrorists by following the money to help disrupt terrorist operations and practices, and the second focuses on the need to encourage development in open societies to improve the lives of those who might otherwise be tempted to support terrorism and extremism.

The State Department, of course, supports both of those recommendations. Though much remains to be done, since 9/11 we have significantly ramped up our efforts to disrupt terrorist financing, and we have made substantial progress in that effort. We agree very much with the 9–11 Commission's conclusion that the public designation of terrorist financiers and organizations for asset freeze is only part of the fight, and it is not necessarily the primary weapon. And we recognize, as is pointed out in the Commission Report, that there are still shortcomings that need to be improved in the international designation and asset freeze process. However, the cooperative effort that we have undertaken since 9/11 has helped us to develop an extremely important set of long-term relationships and partnerships both within the U.S. Government and with our international partners.

Through this collaborative international effort, we have built cooperation and political will that we need to fight terrorism. And this is evident in the public designations and asset freezes that we have undertaken, many of which have happened under the auspices of the United Nations.

It is also evident in the operational law enforcement operations that have gone on in other nonpublic activities, that we know are going to cooperate actively with other countries, in building the set of international norms and practices to improve our standards around the world, and in the kind of training assistance that we

have provided to countries who want to cooperate, but aren't sure how to cut off the money in many cases and don't have the individuals trained to do that kind of technical work. What we do on a regular basis is to work together in a network of U.S. Government agencies to identify, to track and to pursue the terrorist financing targets and to determine on a case-by-case basis what is the best kind of action to undertake.

Designation for asset freezing, for example, doesn't always have to come at the expense of other options. They aren't—you do one and you don't do the other. In fact, you can do several things at the same time, and it might be appropriate to undertake different kinds of activities to cut off the financing of terrorists or terrorist groups at the same time.

Sometimes we can move ahead very quickly with operational law enforcement and intelligence activities to trace, to prosecute and shut down terrorists. In other cases, a better option might be to designate a group for asset freezing to help stop the flow of money right away and to alert the international community that there is a need to be on the lookout for these individuals and for these groups.

In the public designation process, we have relied heavily on cooperation in the United Nations, the 1267 Sanctions Committee, because that process has allowed us to flag for international attention and action al-Qaeda-related individuals and groups, requiring all the members of the U.N. to take action against those individuals and groups.

So in the fight against global terrorism, we very much believe that we have to use all the tools that we have out there when we are trying to cut off the finances and disrupt the financial networks. That does include public designation and asset freezing. But it also includes, very importantly, law enforcement and intelligence cooperation, and establishing the international norms and standards, for example, through the Financial Action Task Force, and providing the kind of training and assistance to build the capacity of our partners around the world.

Now, in its report, the 9-11 Commission also emphasizes the need to synchronize our economic development policies with our overall counterterrorism strategy. In the post-9/11 world, it is clear—as clear as it should already have been and even clearer now—that the national security of the United States and the economic development of the world's poor countries are inextricably linked. Poverty, weak institutions, and corruption, can make states very vulnerable to terrorist networks, to extremist movements. Thus, we must work to foster economic policies that lead to sustainable growth, to more open societies and greater opportunities for the citizens of developing countries.

Aid is one of our most potent leveraging instruments to help sustain countries allied with U.S. policies by helping them implement sound economic and social policies. One example is the development assistance that we are providing to Pakistan as a key frontline State. Through USAID, we have invested a substantial amount of development assistance for education and democracy programs in Pakistan. In fiscal year 2004, we also granted \$495 million in debt relief to Pakistan, and this action is helping the Government

of Pakistan to increase its own spending on important social goals like education and health reform and improvement of the services it is providing. Our request for \$300 million in fiscal year 2005 will allow us to continue and deepen this valuable effort.

As was mentioned earlier in the hearing, the Millennium Challenge (MC) Corporation is also a very important tool in this ongoing effort to lift countries up around the world. I think, as you know, since Congress approved the creation of the Millennium Challenge Corporation and it came into effect in January, 16 countries have been selected as eligible to apply for MC assistance in three broad categories—by passing three broad categories of criteria: Ruling justly, investing in people, and encouraging economic freedom. We are now seeking to conclude contracts with these well-performing developing countries so we can move forward with clear objectives and with built-in performance benchmarks to assist them. And, of course, with this assistance, these Governments can bolster their own efforts to open opportunity for their people and, in the process, deprive terrorists and others of potential recruits and supporters.

In fiscal year 2005 we have requested \$2.5 billion, and this reflects our serious commitment to focus on what matters and to do what works.

Similarly, we have established the Middle East Partnership Initiative, known as MEPI. It aims to be a far-reaching and comprehensive reform program that would provide greater economic opportunities, support better education and promote freedom and justice throughout the Middle East and North Africa. Along with strengthening political freedom, MEPI seeks to assist regional partners by creating new economic opportunities. To address the knowledge and skills gap, MEPI programming also focuses on critical education issues.

In line with our goal to create a Middle East free trade area within a decade, MEPI has provided technical assistance to promote economic reform and to begin to build intraregional trade.

As you know, we have many other efforts under way to support and encourage economic reform and growth in the region. For example, as you know, in March we concluded negotiations for a free trade agreement with Morocco. In May we concluded negotiations with Bahrain. We are carrying out economic reform dialogues with many countries throughout the region.

And at the recent G-8 summit held here in the United States, the G-8 leaders agreed on a program called the Broader Middle East and North Africa Initiative to reach out to the entire region; and a key part of that effort is economic reform.

Mr. Chairman and Members of the Committee, thank you very much for the opportunity to address these important issues. And my written testimony has much more detail on all of them. I look forward to taking your questions and to working with you as we keep addressing all the different aspects of this problem, tracking the terrorist financing, disrupting those networks and at the same time working to support growth and prosperity and opportunity for developing countries around the world. Thank you very much.

Mr. SMITH OF NEW JERSEY. Mr. Secretary, thank you very much for your testimony.

[The prepared statement of Mr. Wayne follows:]

PREPARED STATEMENT OF THE HONORABLE EARL ANTHONY WAYNE, ASSISTANT
SECRETARY, BUREAU OF ECONOMIC AND BUSINESS AFFAIRS

Mr. Chairman and distinguished Members of the Committee:

Thank you for the opportunity to testify on behalf of the Bureau of Economic and Business Affairs. We applaud the work of the 9/11 Commission and were pleased to cooperate in interviews and to share hundreds of documents for review by the Commission. We believe the recommendations contained in the report provide a solid foundation for the critical discussion currently underway on strengthening our counter-terrorism capabilities.

The 9/11 Commission report lays out two recommendations in particular that I would like to address as Assistant Secretary for Economic and Business Affairs. One suggests that the tracking of terrorist financing is an essential tool to disrupting terrorist operations. The second focuses on the need to include in our comprehensive counter-terrorism strategy policies to encourage development and open societies to improve the lives of those who might otherwise turn to terrorism. The State Department supports both of these recommendations.

TRACKING TERRORIST FINANCES

The 9/11 Commission report presents a fair assessment of the Administration's efforts to step up involvement in terrorist financing in the wake of 9/11. The report specifically highlights two of the major policy tools utilized by the Administration—the freezing of assets of terrorist financiers, and the use of information regarding financial facilitators of terrorism to disrupt actual terrorist networks.

We concur with the Committee recommendation that “vigorous efforts to track terrorist financing must remain front and center in U.S. counterterrorism efforts.” We also agree that operational law enforcement and intelligence cooperation on terrorist financing must be a priority, and can help disrupt the operations of terrorist organizations.

Since terrorists largely operate internationally, a key component of the fight is to build international cooperation. To achieve this goal our approach has been to draw as appropriate on a wide range of flexible policy tools, including:

- (1) Bilateral and multilateral diplomacy;
- (2) Law enforcement and intelligence cooperation;
- (3) Public designations of terrorists and their supporters for asset freeze actions;
- (4) Technical assistance; and
- (5) Concerted international action through the multilateral organizations and groups, notably the Financial Action Task Force on Money Laundering (FATF).

Diplomacy is key in winning the political commitment from which cooperation in other areas flows. Our diplomats are the overseas eyes, ears and voice of the U.S. government in dealing with foreign governments and financial institutions on terrorism finance. In this sense, diplomats serve an even more crucial role in countries where we have no resident legal or Treasury attaché. With cooperation, intelligence and law enforcement officers can follow the money. With international cooperation on asset freeze designations (as well as travel bans under UN resolutions), we force terrorists into less reliable and more costly means of moving money. Designations also chill support for terrorism—it is one thing to write a check for terrorists when no one is looking; it is another to realize that such actions can bring unwanted official attention.

Since 9/11 we have ramped up our efforts significantly and made substantial progress. We also acknowledge that much remains to be done. Since September 11, 2001, we have:

- Ordered the freezing in the United States of the assets of 382 individuals and entities linked to terrorism;
- Submitted and supported the submission by other countries including Saudi Arabia and several of our European partners of 285 al-Qaida-linked names on the United Nations asset-freeze list, thereby requiring all countries to act against these names (50 countries banded together in one such submission to the UN);
- Frozen approximately \$142 million and seized approximately \$65 million in countries around the globe, including the United States;

- Instructed our embassies formally to approach every government around the world to freeze each name we designate;
- Developed a broad international coalition against terrorist finance;
- Acted against supporters of Jemaah Islamiyah, the Asian terrorist group linked to the Bali disco bombing; designated for asset freeze charities funding HAMAS; taken firm action against Saudi terrorism financiers; and worked with the European Union to strengthen their counter-terrorism finance regime;
- Supported changing national laws, regulations and regulatory institutions around the world to better combat terrorist finance and money laundering; and
- Made it harder for terrorists and their supporters to use both formal and informal financial systems.

Effective U.S. Government Coordination

Key to our success in tackling terrorism finance is effective U.S. interagency coordination. A Policy Coordination Committee (PCC), established under the auspices of the National Security Council, ensures that these activities are well coordinated. This strong interagency teamwork involves the intelligence and law enforcement communities, led by the FBI, as well as State, Treasury, Homeland Security, Justice, Defense and the financial regulatory agencies collectively pursuing an understanding of the system of financial backers, facilitators and intermediaries that play a role in this shadowy financial world. The Treasury Department develops and coordinates financial packages that support public designations of terrorists and terrorism supporters for asset freeze action. The Department of Justice leads the investigation and prosecution in a seamless, coordinated campaign against terrorist sources of financing. And, the State Department initiates asset freeze designations and shepherds the interagency process through which we develop and sustain the international relationships, strategies and activities to win vital international support for and cooperation with our efforts. These efforts include the provision of training and technical assistance in coordination with Justice, Treasury, Homeland Security and the financial regulatory agencies. Our task has been to identify, track and pursue terrorist financing targets and to work with the international community to take measures to thwart the ability of terrorists to raise and channel the funds they need to survive and carry out their heinous acts.

Our diplomatic posts around the world have been essential partners in implementing this global strategy. They have each designated a senior official, often the Ambassador or Deputy Chief of Mission, as the post Terrorism Finance Coordination Officer (TFCO). These officers chair interagency meetings at posts on a regular basis not only to evaluate the activities of individual countries, but also to develop and propose individual strategies on most effectively getting at specific targets in certain regions. The increased level of interagency cooperation we are seeing on this front in Washington is generating new embassy initiatives focused sharply on terrorist finance. The ability of posts to develop high-level and immediate contacts with host officials in these efforts has ensured broad responsiveness around the world to various targeting actions.

Domestic (E.O. 13224) Actions

A key weapon in the effort to disrupt terrorist financing has been the President's Executive Order (E.O.) 13224, which was signed on September 23, 2001, just 12 days after the terrorist attacks of September 11. That order provided the basic structure and authorities for an unprecedented effort to identify and freeze the assets of individuals and entities associated with terrorism across the board. Under that order, the Administration has frozen the assets of 382 individuals and entities on 60 separate occasions. The agencies cooperating in this effort are in daily contact, examining and evaluating new names and targets for possible asset freeze. However, our scope is not just limited to freezing assets. We consider other actions as well, including developing diplomatic initiatives with other governments to conduct audits, exchange information on records, law enforcement and intelligence efforts, or shaping new regulatory initiatives. While designating names is the action that is most publicly visible, it is, in no way, the only action.

United Nations Actions

Even before September 11, the United Nations Security Council (UNSC) had taken action to address the threat of terrorism. It had adopted resolutions 1267 and 1333, which collectively imposed sanctions against the Taliban, al-Qaida, Usama bin Laden and those associated with them. Following September 11, the UNSC stepped up its counter-terrorism efforts by adopting Resolutions 1373 and 1390. Resolution

1373 requires all States to prevent and suppress the financing of terrorist acts and to freeze the assets of terrorists and their supporters. It also imposes bans on travel and arms sales to these individuals. Resolution 1390 (recently strengthened by Resolutions 1455 and later by 1526) continued sanctions, including asset freezes, against Usama bin Laden, the Taliban, al-Qaida and those associated with them. The UN 1267 Sanctions Committee maintains and updates a list of individuals and entities subject to these sanctions, which all States are obligated to apply.

Through these actions, the UNSC has sent a clear and strong message underscoring the global commitment against terrorists and their supporters and giving international force and legitimacy to asset freezes and other sanctions. This is extremely important, because: (1) most of the assets making their way to terrorists are not under U.S. control; and (2) when the 1267 Sanctions Committee designates individuals or entities associated with al-Qaida, all 191 UN Member States are obligated to implement against those persons the applicable sanctions, which include asset freezes. The 1267 Sanctions Committee has added a total of 285 al-Qaida-linked names to its consolidated list since 9/11.

Improving National Laws, Regulations and Standards

In addition to advances on the UN front, we have witnessed considerable progress on the part of countries around the world to equip themselves with the instruments they need domestically to clamp down on terrorist financing. Since 9/11, at least 87 countries in every region of the world have either adopted new laws and regulations to fight terrorist financing or are in the process of doing so.

To ensure that the standards of these new laws and regulations are high enough to have an impact and be effective, the United States has worked very closely with the Financial Action Task Force on Money Laundering (FATF), a G-7 multilateral organization of 33 members individually and collectively devoted to combating money laundering. In 2003, FATF revised its 40 Recommendations to combat money laundering to include terrorist financing provisions. These Recommendations along with the complementary Eight Special Recommendations on Terrorist Financing, adopted in 2001, provide a framework for countries to establish a comprehensive regime to fight money laundering and terrorist financing. FATF is monitoring compliance with its recommendations in coordination with the IMF, World Bank, and the FATF-Style Regional Bodies (FSRBs). In addition, FATF is working cooperatively with the UN Counter-Terrorism Committee (CTC) and the G-8-initiated Counter-terrorism Action Group (CTAG) to complete assessments of designated countries' needs for technical assistance to improve local ability to combat terrorist financing.

We have seen substantial progress recently in securing countries' efforts to strengthen their relevant laws and regulations in the area of anti-money laundering which is inextricably linked to counter-terrorist finance. In large part due to FATF's focus and efforts on terrorist financing, for instance, the Indonesian Parliament passed important amendments to its anti-money laundering law on September 16, 2003—amendments that will improve the country's ability to take actions against terrorist financing. Similarly, it was FATF's efforts that led the Philippines to pass legislation in March 2003 that will significantly increase that country's ability to carry out meaningful anti-terrorist financing measures. FATF advises on whether such regulations and legislation meet international standards as effective instruments to combat money-laundering and terrorist financing.

In addition to providing countries with the guidance they need to develop effective regimes, FATF also places pressure on countries via its Non-Cooperating Countries and Territories (NCCT) program, in the form of its ability to blacklist countries that are non-compliant with respect to anti-money laundering practices. FATF's NCCT program creates an incentive for states to vigorously address their regulatory environment when it comes to being able to take appropriate actions against money laundering. Nigeria and the Philippines, for instance, in December 2002 and February 2003 respectively, took meaningful legislative steps to strengthen their respective anti-money laundering laws to avoid imposition of FATF countermeasures. Ukraine likewise passed legislation in January 2003 that removed the threat of immediate FATF sanctions and ultimately led to its removal from the NCCT list.

As we, together with others in the international community, began to look into how terrorist groups raised and moved their funds, the fact that much of this took place outside regular banking systems became quickly apparent. As a result, international efforts to set standards for tackling terrorist financing also have had to address the issue of ensuring that charities are not abused by those with malicious intentions, and that cash couriers and alternative remittance systems, such as "hawala," are not used to finance terrorism. FATF, which has already addressed some of these issues through its Eight Special Recommendations on Terrorist Financing, is continuing to focus its efforts in this area.

Capacity Building

On the technical assistance front, the Terrorist Finance Working Group (TFWG), chaired by the State Department, has obligated over \$11.5 million to provide technical assistance and training to develop and reinforce counter-terrorist financing/anti-money laundering regimes of frontline states. To date, assistance offered by the 20 U.S. Government offices and agencies participating in the TFWG, which include the Departments of Justice, Treasury and Homeland Security, spans 25 priority countries on five different continents. These comprehensive training and technical assistance programs include legislative drafting, financial regulatory training, financial intelligence unit development, law enforcement training, and prosecutorial/judicial development.

We have provided several countries in the Gulf and South Asia with different types of training related to sound counter-terrorist finance practices, including the detection of trade-based money laundering (moving money for criminal purposes by manipulation of trade documents), customs training, anti-terrorist finance techniques and case studies for bank examiners, and general financial investigative skills for law enforcement/counter-terrorist officials. Our international partners have welcomed this type of training, and we plan to provide it to other vulnerable jurisdictions in other regions.

U.S. efforts to assist Indonesia with the 2002 Bali bombings and 2003 J.W. Marriott attack demonstrate the seriousness of our counter-terrorism strategy, including our terrorist finance efforts. As the result of their hard work and U.S. and Australian assistance, Indonesian authorities have arrested over 80 Jemaah Islamiyah (JI) members associated with the Bali bombings and convicted 33 of them. Close law enforcement cooperation among the United States, Indonesia, Australia, and other Southeast Asian states has also led to an aggressive campaign against JI on all fronts including its financing. In the wake of the Bali bombings, the international community moved to "name and shame" JI with a record 48 countries supporting Australia and the U.S. in the UN terrorist designation of JI. Indonesia has made significant progress in reinforcing its counter-terrorism measures through stringent legislation, robust law enforcement investigations and prosecutions, and a more transparent financial system to combat money laundering and terrorist financing.

Burden sharing with our key coalition partners is an emerging success story. For instance, the governments of Australia, New Zealand and the UK, as well as the EU, FATF-Style Regional Bodies and the Asian Development Bank, have significant technical assistance initiatives underway in countries such as the Philippines, Indonesia, Pakistan, Malaysia and Egypt.

Areas of Focused Cooperation

The Administration is actively involved in combating terrorist financing through partnerships we have established across the globe. However, I would like to specifically highlight for you our recent cooperative efforts with Saudi Arabia and the EU.

Saudi Arabia has been one important focus of our efforts. An interagency team of experts travels regularly to Saudi Arabia to work with their counterparts to identify and block suspect accounts and assess technical assistance needs. Our terrorism finance cooperation with Saudi Arabia is real-time, ongoing, and fully embedded into our day-to-day counter-terrorism operations. We have jointly designated, with the Saudis, over a dozen Saudi-related entities and multiple individuals under E.O. 13224.

Demonstrating its commitment to address systemic factors contributing to the flow of funds to terrorists, Saudi Arabia has recently promulgated a number of laws that hold charities accountable for their actions and the funding of projects outside the Kingdom. Saudi Arabia has made some changes to its banking and charity systems to help strangle the funds that keep al-Qaida in business. As part of a State-led interagency assistance program, Federal banking regulators have provided specialized anti-money laundering and counter terrorist financing training to their Saudi counterparts. Saudi Arabia's new banking regulations place strict controls on accounts held by charities. Saudi Arabia has also banned the collection of donations at mosques and instructed retail establishments to remove charity collection boxes from their premises, steps that are undoubtedly extremely challenging for Saudi Arabia, but that the Saudi Government has undertaken because it understands that terrorists are more likely to use such funds than those channeled through regular banking channels.

Saudi Arabia is working with us closely in the context of the new task force on terrorist financing, led on the U.S. side by the FBI. As part of the State-led interagency terrorist financing assistance program, experts from the FBI and IRS have completed the first part of a training model designed to strengthen the financial investigative capabilities of the Saudi security forces, with more advanced courses to

follow. That being said, this is a work in progress. We have reason to believe that the new task force on terrorist financing will be effective but we will need to see results. We believe the Saudi Government is implementing its new charity regulations, but there too, we will need to see results. The recent FATF mutual assessment of Saudi Arabia found that the Kingdom has taken essential steps—closer bank supervision, tighter banking laws, enhanced oversight—critical to curbing terrorist financing and money-laundering. We find this to be encouraging news. There is more to do, and we will continue to press ahead with our efforts with the Saudi government.

We also have a “good news” story to tell regarding our cooperation with the European Union on combating terrorist financing. The EU has designated for asset-freezing almost all the names designated by the United States under E.O. 13224 because of their links to terrorism, in addition, of course, to all the al-Qaida-related names listed on the UN’s consolidated list. We have also reinvigorated our productive dialogue with the EU, based on the June 26, 2004, U.S.–EU Summit Declaration which outlines a realistic roadmap on moving ahead toward implementing effective measures to crack down on terrorist financing across Europe and beyond. This declaration addresses our joint commitments to strengthen the European regime against terrorist financing by taking strong actions and to strengthen our cooperation in working with third countries. This includes: bringing EU and national legal frameworks into compliance with the FATF’s recommendations; ensuring effective laws to freeze assets and block transactions; strengthening measures to regulate alternative remittance systems such as hawala and bulk cash couriers; ensuring effective implementation of legislation criminalizing the financial support of designated names; and seeing how to better coordinate assistance to third countries.

The Dutch, who hold the EU Presidency for rest of 2004, are committed to pushing ahead with reforms that will enable all EU member states to improve their ability to combat terrorism. We are encouraged that the Dutch are taking a proactive approach on this issue, and we will continue to work with them and our other European partners.

Designations and Asset Freezes: Only Part of the Picture

The 9/11 Commission report provides a critique of the public designation of terrorist financiers and organizations for asset freeze, noting that while it is “part of the fight,” it is not the “primary weapon.” The report goes on to criticize multilateral freezing mechanisms because they require waiting periods that eliminate the element of surprise. It also notes that worldwide asset freezes have been easily circumvented.

We recognize there are shortcomings in the international designations and asset freeze process, however this cooperative process has helped us develop and deepen a long-term set of invaluable relationships with our interagency and international partners in the three years since 9/11. Through this collaborative international effort, we have built cooperation and the political will necessary to fight terrorism, both through designations and asset freezes, as well as through operational law enforcement actions. As described above, the network of U.S. Government agencies meets regularly to identify, track and pursue terrorist financing targets and to determine, on a case-by-case basis, which type of action is most appropriate. Designation for asset freezing does not have to come at the expense of taking appropriate law enforcement action. On the contrary, sometimes the two approaches complement each other. There are cases where operational law enforcement action can be initiated quickly to trace, prosecute and shut down terrorists. In other cases, for instance where long-term investigations are under way, the better option is to designate for asset freezing in order to stop the flow of money that might be used to carry out terrorist activity until law enforcement actions can be taken.

As noted above, we have used multilateral asset freezes, together with technical assistance and the FATF multilateral process, as valuable devices to isolate terrorist financiers, drive them out of the formal financial system, and unite the international community through collective action. We continue to work together with our international partners to strengthen the multilateral designation process. By quietly pre-notifying our allies before submitting names for designation to the UN 1267 Sanctions Committee, we seek to build international consensus early, thereby preventing unwanted delays in the process. At the same time, we approach foreign governments to urge them to fulfill their UN obligations to freeze assets without delay. In cases where an individual or entity assumes a new name, we initiate action to designate the alias, thwarting their efforts to simply continue “business as usual” under a new name. As noted by the 9/11 Commission, these actions prevent open fundraising, diminish support to illicit charities, and act as an element of diplomacy to demonstrate international resolve.

In the fight against global terrorism, the Administration must continue to vigorously use all of the tools at its disposal—including designations/asset freezing, law enforcement/intelligence cooperation, and the establishment and enforcement of international norms and standards. Given that the money that gets into the hands of terrorists flows around the world, the only way we will be successful in drying up their financial resources is through continued, active U.S. engagement with countries around the globe. We *must* continue to broaden and deepen our efforts worldwide. These efforts have paid off, and they will continue to do so.

Conflict Diamonds

The 9/11 Commission concluded that there is no connection between conflict diamonds and funding to al-Qaida. Nonetheless, we are committed to ending the use of conflict diamonds for the financing of wars through regulation of the international rough diamond trade. Towards this end, we and approximately 43 other participants, including the European Community, have domestically implemented the standards established under the Kimberley Process Certification Scheme and are in the process of establishing a more transparent industry through the provision of import and export statistics. The Kimberley Process is designed to avoid injury to the legitimate diamond trade, while also combating trade in conflict diamonds, and may indirectly increase the revenues of a producer state from an expanding licit diamond trade.

The Kimberley Process was the product of over two years of negotiations among diamond producing, trading, and consuming states and received the strong support of the United States, the diamond industry, and concerned NGOs from the inception of discussions. Since the Kimberley Process became effective in 2003, the participants have worked together closely to develop a largely voluntary monitoring system that includes annual implementation reports and peer review visits. The Administration will continue to play a leading role in halting the trade in conflict diamonds, and we look forward to continuing the important work of the Kimberley Process.

PROMOTING ECONOMIC DEVELOPMENT

In the post-9/11 world, it is now clear as never before that the national security of the United States and the economic development of the world's poorest countries are inextricably linked. In September 2002, President Bush unveiled his National Security Strategy to address the unprecedented challenges that are facing the nation. Among the tools that would be engaged in this effort was "development." Indeed, it was elevated as a "third pillar" of our foreign policy, along with defense and diplomacy. The global war on terror is one of the arenas in which foreign assistance must operate.

It is the Administration's position that poverty, weak institutions, and corruption can make states vulnerable to terrorist networks. In many nations, poverty remains chronic and desperate. Half the world's people still live on less than the equivalent of \$2 a day. This divide between wealth and poverty, between opportunity and misery, is far more than a challenge to our compassion. Persistent poverty and oppression can spread despair across an entire nation, and they can turn nations of great potential into recruiting grounds for terrorists.

Aid to Key Partners: The Case of Pakistan

Aid is a potent leveraging instrument that can keep countries allied with U.S. policy. It also helps them in their own battles against terrorism. For example, it is vital that we help retain a nuclear-armed Pakistan as an ally in the war on terrorism. In the first post-9/11 supplemental appropriations, we provided \$600 million to enable Pakistan to invest in education, health, water and other social sector programs. Through USAID we have invested substantial development assistance to increase knowledge, training and infrastructure to develop high quality education programs for girls and boys throughout Pakistan. We also provide development assistance to make Pakistan's democracy more participatory, representative and accountable. Our continued support is critical in helping Pakistanis move toward a more stable, prosperous, and democratic society. In FY 2004, we granted \$460 million in debt relief to Pakistan. This action on our part enables the government of Pakistan to increase its spending on important domestic social goals like health and education. Our request of \$300 million for FY 2005 will allow us to continue and deepen this valuable work.

Millennium Challenge Corporation

We remain firmly committed to partnership with developing countries. We fully recognize that our development goals cannot be reached unless developing countries take steps to effectively and accountably tap all available development resources. To

this end, on May 6, 2004, the Millennium Challenge Corporation (MCC) selected 16 countries that are eligible to apply for Millennium Challenge Account (MCA) assistance based on countries' performance against its three policy criteria: ruling justly; investing in people; and encouraging economic freedom. The MCC has selected countries that have a sound policy framework that will support economic growth. We now seek to conclude contracts with these developing countries so we can move forward with investing the American people's resources in effectively implemented programs with clear objectives and built-in performance benchmarks. The FY 2005 budget request of \$2.5 billion represents our commitment to focusing on what matters, and doing what works.

Our FY 2005 budget request is directed toward meeting complex challenges in a post-9/11 environment. Our priorities move the President's economic growth and governance agenda forward in ways that promote aid effectiveness and real transformation. It also helps states not yet committed to transformation move toward stability, reform and recovery. This assistance addresses global and transnational ills, supports individual foreign policy objectives in geo-strategically important states, and continues our premier capacity to offer humanitarian and disaster relief to those in need.

We also are working closely with international financial institutions to reach these goals. President Bush has set out a new economic growth agenda for the multilateral development banks that focuses these institutions on productivity and measurable results, by channeling more funds to good performers, with an emphasis on governance and public expenditure management, and structuring our contributions to create incentives for specific outcomes. He has called on the development banks to provide more grants than loans to the most vulnerable countries, to avoid crippling their growth with a burden of debt they can never repay—and the banks are responding to this call. Full funding of the Administration's budget request will help enable the banks to address critical development issues in key regions of importance to the United States, including: support for key countries in the war on terrorism; combating money-laundering and terrorist financing; responding to natural disasters; and providing assistance to countries emerging from conflict.

Middle East Partnership Initiative

On December 12, 2002, in a speech at the Heritage Foundation, Secretary Powell outlined the Middle East Partnership Initiative (MEPI), a far-reaching and comprehensive plan to support reform that would provide greater economic opportunities, improve education and promote freedom and justice throughout the Middle East and North Africa. This initiative was endorsed by the President in May 2003 and remains the main policy and programmatic tool to carry out his forward strategy to support freedom for the region. MEPI's partnership programs are gaining acceptance in the Arab World and its support for reformers is beginning to demonstrate success.

In the area of political reform, the focus is on strengthening freedoms, the democratic process and good governance. For example, we funded a regional women's campaign school in Qatar; co-sponsored with the Kingdom of Bahrain a regional judicial forum and will administer parliamentary development programs throughout the region.

Along with strengthening political freedoms, MEPI seeks to assist regional partners by creating new economic opportunities. In line with the President's goal to create a Middle East Free Trade Area within a decade, MEPI has provided technical assistance to promote reform in the economic sector and begin to build intra-regional trade related to negotiating Free Trade Agreements and Trade and Investment Framework Agreements between the United States and the countries of the Middle East and Northern Africa. In March, Morocco joined Jordan as the second Arab country to complete free trade negotiations with the United States, and in May, Bahrain became the third. Qatar has announced new labor legislation: a good beginning to eventually ensuring rights for all workers in that country.

Economic prosperity and strong democratic institutions are not possible without a well-educated workforce. To address the knowledge and skills gap, MEPI programming focuses on critical issues, such as curriculum reform, teacher training, and community and private sector involvement in education. Based on new, innovative local examples, such as the Jordan Education Initiative, we are developing and implementing a "Partnership Schools" model that emphasizes innovative solutions and technical expertise to enhance the quality of primary and secondary education.

The Role of Free Trade

The fastest and surest way to move from poverty to prosperity is through a strong and dynamic international economic system based on free trade and investment. In

2003, trade flows for developing economies totaled \$5.8 trillion, by far the largest source of development finance. We are pursuing this through an aggressive multilateral and bilateral trade agenda. In the World Trade Organization (WTO), we have stepped forward with bold and sweeping market-opening proposals in both agricultural and non-agricultural goods. We continue to press forward on liberalization of financial services, aviation, telecommunications, agricultural biotechnology and government procurement. In July 2004, 147 members of the WTO reached consensus on an agreed framework in the Doha negotiations. Much work remains to be done in these negotiations, but this was an important milestone, that would have not happened without consistent U.S. leadership in promoting the importance of the multilateral trading system. The Department of State helped negotiate free trade agreements with Central America, Bahrain, Australia and Morocco. These trade agreements set new high standards for protection of intellectual property rights, open markets for services, ensure government transparency and provide effective labor and environmental regulation enforcement. Negotiations with the Southern African Customs Union, Colombia, Peru, Ecuador and Panama are underway. The President has also stated his vision for a Middle East Free Trade Area by 2013, to ignite economic growth and expand opportunity in this critical region.

Private Sector Development and Debt Relief

Multilaterally, we continue to promote private sector development, which is central to fostering economic growth and sustainable development. While Official Development Assistance (ODA) can be a catalyst for development, ODA resources are dwarfed by domestic and foreign trade and investment. Last year, ODA accounted for \$15.5 billion, only a fraction of more than \$700 billion in total U.S. financial flows to the developing world, which also included imports, personal remittances, private grants and private investment flows. The path from poverty to prosperity is not paved by development assistance, but rather by efforts at the national level to increase trade, attract foreign direct investment and other private flows, and implement sound economic policies to develop the private sector.

The United States is working to build momentum behind the recent G-8 Action Plan on "Applying the Power of Entrepreneurship to the Eradication of Poverty" and the report of the UN Commission on Private Sector Development entitled "Unleashing Entrepreneurship." Drafted by former Canadian Prime Minister Martin and Mexico's former President Zedillo, "Unleashing Entrepreneurship" clearly showed that reducing barriers to doing business in developing countries strongly advances sustainable economic growth in these countries. As we complete our G-8 presidency, the United States is working to ensure high-level attention to these matters, and facilitating continued efforts to foster private sector development.

Debt relief complements the growth of the private sector. When accompanied by good economic policies, debt relief promotes economic growth by helping countries overcome balance of payments difficulties or unsustainable chronic debt burdens. More importantly in the fight against terrorism, debt relief can free resources for governments to reduce poverty, better meet the health and education goals of their people, and improve infrastructure bottlenecks that limit economic growth. This is the thinking behind the Administration's strong support for deep debt relief through the Paris Club for the Interim Government of Iraq (IIG), for example, and also underlies our long-standing support for the Heavily Indebted Poor Countries (HIPC) initiative.

Under HIPC, the United States has been a clear leader among creditor countries by granting 100 percent bilateral debt reduction (on debt contracted before the June 1999 Cologne Summit) for qualifying HIPC countries. In addition, we have pledged over \$600 million to the HIPC Trust Fund, which has permitted multilateral institutions to provide HIPC debt reduction. That debt reduction in turn permits the HIPC countries to undertake necessary economic reforms, helping their economies create the jobs necessary to defeat poverty. Finally, to avoid the accumulation of more debt by countries that have recently received debt reduction, or that suffer from heavy debt burdens, the United States has taken the lead in encouraging lending countries and international financing institutions to shift development assistance from concessional loans to grants.

All of these policy tools lead toward the same goal: fostering economic policies that lead to sustainable growth, more open societies and greater opportunities for citizens of developing countries.

Mr. Chairman and Members of the Committee, thank you for the opportunity to address these important issues. With the continued support of Congress, the efforts that I have discussed today—including our interagency work to track and shut down terrorist financiers; our cooperation with multilateral institutions to strengthen other countries' counter-terrorism capabilities; and our support for economic policies

which complement our counter-terrorism strategy—will continue to bolster our efforts to fight terrorism at home and around the world.

Mr. SMITH OF NEW JERSEY. Mr. Swigert.

STATEMENT OF JAMES W. SWIGERT, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. SWIGERT. Mr. Chairman, distinguished Members of the Committee, thank you for this opportunity to testify and address the 9–11 Commission recommendations as they relate to our work in the Bureau of International Organization Affairs.

I might preface my statement by mentioning today that the U.N. itself has been a victim of terrorism, and today is an especially important day, the 1-year anniversary of the tragic bombings in Baghdad that killed 22 dedicated U.N. professionals, including Sergio Vieira de Mello, Special Representative of the Secretary General.

We in IO, the International Organization Bureau, Mr. Chairman, very much welcome the 9–11 Commission's calls for greater international cooperation and counterterrorism coordination. That indeed is the focus of much of our daily work with the U.N. and the U.N. system. A key element, as a number of my colleagues have already alluded to, in our strategy for the United Nations has been securing meaningful Security Council action on counterterrorism.

Several of my colleagues have already referred to the important Security Council resolutions we have secured since 9/11 that provide both a framework and binding legal requirements for international cooperation and action by member-states to prevent terrorism. Let me highlight again, if I could, U.N. Security Council Resolution 1373, which establishes binding requirements on all member-states to take effective steps to stop and prevent terrorism. It created the Counter-Terrorism Committee, the CTC, which is composed of Security Council members, to monitor and encourage compliance. All 191 members of the United Nations have responded in writing to these demands, acknowledging the universality of this requirement.

A second critical track under the Security Council is the al-Qaeda-Taliban Sanctions Committee, known as the 1267 Committee, for the resolution under which it was first established. This Committee and the resolutions associated with it established lists and entities targeted for sanctions, which now include a travel ban and arms embargo for those on the list, as well as asset freeze. And as Assistant Secretary Wayne has already indicated, we believe that we can do better in terms of implementing this resolution. We have taken a number of steps over the course of the last years to strengthen the implementation of this resolution, and we will be looking for ways to continue to do so.

In March of this year, we also worked within the Security Council to strengthen the CTC, adopting resolution 1535 which reorganized the committee to make it more effective in capacity building and encouraging implementation of resolution 1373 requirements. Now, with its newly reinforced committee staff, the CTC can move from self-assessments to field visits that can better pinpoint problems and areas for assistance.

The 9–11 Commission highlighted appropriately the threat of terrorists’ acquiring weapons of mass destruction capabilities, responding to President Bush’s challenge in his address to the U.N. General Assembly last year for the Security Council to require member-states to; one, criminalize the proliferation of weapons of mass destruction; two, enact strict export controls on those weapons and technology; and three, to secure sensitive materials within their borders.

In April, the Security Council adopted resolution 1540, which we believe met the President’s challenge. And the Security Council has now recently established a committee to monitor compliance with these provisions. Significantly, this resolution calls for multinational counterproliferation cooperation, exactly the kind of cooperation we are seeing with our Proliferation Security Initiative, which the 9–11 Commission also encouraged.

Besides the follow-up on implementation of these resolutions, the International Organization Bureau is active with other international organizations to achieve more effective multilateral action on counterterrorism. We work closely with others in the U.S. Government and with the State Department’s Nonproliferation Bureau to counter nuclear proliferation through the International Energy Agency. Working with other U.S. Government agencies, we are also very actively involved in the International Civil Aviation Organization and the International Maritime Organization. And with an eye toward the soft issues, the long-term challenges we face on prevention, we are looking for opportunities to engage in other U.N. specialized agencies such as UNESCO.

In summary, through our engagement in the U.N. system, we seek to actively engage others in the international community in an effort to prevent, counter and eradicate terrorism. Thank you.

Mr. SMITH OF NEW JERSEY. Thank you very much for your comments and testimony.

[The prepared statement of Mr. Swigert follows:]

PREPARED STATEMENT OF JAMES W. SWIGERT, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS

Mr. Chairman, on behalf of Assistant Secretary Holmes, I appreciate this opportunity to address the 9–11 Commission recommendations that relate to our work in the Bureau of International Organization Affairs, or IO.

I ask that my full statement be submitted for the record.

The IO Bureau serves as the main link between U.S. Government agencies, including key offices within the State Department, and the United Nations system, including the UN Security Council, which has authority over the Counter-Terrorism Committee (CTC) and the 1267 Sanctions Committee dealing with al-Qaeda and the Taliban. Together with our UN Mission in New York and Ambassador John Danforth, we work closely in all appropriate international fora to improve partnerships and capacities for fighting terrorism around the globe.

The IO Bureau participates in an aggressive interagency team effort to stamp out all forms of terrorism. We acknowledge and applaud the extraordinary counterterrorism efforts that other U.S. agencies have launched. Yet we are also practical. We recognize that mobilizing global responses against terrorism through organizations like the UN significantly enhances our effectiveness. We, therefore, welcome the 9–11 Commission’s calls for greater international cooperation and coordination against terrorism.

As President Bush has said, there can be “no neutral ground in the fight between civilization and terror.” Immediately after the September 11, 2001 attacks, Secretary Powell instructed the IO Bureau to lead the United States’ intense efforts in the Security Council to adopt, just 17 days later, a sweeping counterterrorism mandate—UN Security Council Resolution 1373. That resolution calls on all UN

Member States to implement measures to suppress terrorism financing (for example, by freezing funds and criminalizing terrorism financing), to exchange information to prevent terrorist attacks, and to deny safe haven to those who finance, plan, support, or commit terrorist acts.

Resolution 1373 also created the Counter-Terrorism Committee. With every Security Council member state represented, this committee monitors how all countries are implementing that resolution. It reviews country reports. It recommends useful measures that states might undertake, and it seeks to match those countries needing technical assistance in counterterrorism with potential donors.

In March 2003, some 60 international, regional, and sub-regional organizations agreed that the CTC should serve as a clearinghouse for counterterrorism information, standards, and best practices.

In March of this year, we worked with other Security Council members to adopt Resolution 1535, reorganizing and reinvigorating the CTC staff by adding personnel, creating an Executive Directorate, and establishing the position of Executive Director. We are currently working with other CTC members to stand up and staff the Executive Directorate. We anticipate this enhancement will promote more effective implementation of Resolution 1373, facilitate counterterrorism capacity-building where needed, and increase the exchange of counter-terrorism information among all states and organizations engaged in the fight against terrorism.

Even before September 11th, the State Department and the Security Council recognized the need to confront Taliban, al-Qaeda, and Usama bin Laden terrorist activities. In Resolutions 1267 (1999) and 1333 (2000), the Council collectively targeted those entities for sanctions. UN Security Council Resolution 1267 created the Al-Qaeda/Taliban Sanctions (or 1267) Committee which establishes and maintains a list of individuals and entities targeted for sanctions. Subsequent resolutions (1390, 1455, and most recently 1526) expanded these sanctions to include a travel ban and arms embargo against any individual or entity list by the 1267 Committee.

To date 143 individuals and one entity associated with the Taliban have been listed, as have 174 individuals and 111 entities belonging to or associated with al-Qaeda. Approximately \$140 million in terrorist assets have been frozen worldwide.

Last September, in his speech to the UN General Assembly, the President cited the grave threat posed by rogue states and terrorists acquiring weapons of mass destruction. The President called on the Security Council to combat that threat by requiring states to: criminalize the proliferation of weapons of mass destruction; enact strict export controls on these weapons and related materials, equipment, and technology; and secure sensitive materials within their own borders.

This past April, in a historic move, the Security Council adopted Resolution 1540, which addressed all of these objectives. The Council more recently established a committee to monitor country actions to comply with its provisions. Significantly, the resolution called for multinational cooperation on counter-proliferation—exactly the kind of cooperation we are seeing bear fruit through our Proliferation Security Initiative.

As you can see, Mr. Chairman, such resolutions at the UN have established a broad range of measures to limit terrorism financing, trans-boundary movement of terrorists, terrorist sanctuaries, and sale of arms to terrorists. Such provisions square precisely with many of the 9–11 Commission recommendations.

To give practical effect to these resolutions, my colleagues in the International Organization Affairs Bureau and I continue to work with other State bureaus, like those here today, and with USUN in New York, other USG agencies, the CTC and the Al Qaeda/Taliban Sanctions Committee, and other international organizations. We focus on coalition building with key allies, engaging other Security Council members, urging countries to meet their Security Council obligations, and targeting individuals and entities for sanctions. We have found sanctions can work when they are broadly enforced, not only because they are punitive, but also because they send a strong message to terrorists and their supporters that the world is united against them.

Together with the Nonproliferation (NP) Bureau, we also interact closely with such UN technical agencies as the International Atomic Energy Agency (IAEA) in order to enhance national security, counter threats of nuclear and radiological terrorism, and strengthen the international nuclear non-proliferation regime. The IAEA's investigation into Iran's nuclear program focused international attention on Iran's past safeguards violations as well as its ongoing and troubling nuclear activities. We believe the IAEA Board of Governors should report Iran's safeguards non-compliance to the UN Security Council.

The IAEA continues to pressure North Korea to abandon its nuclear weapons program. We support its ongoing efforts to force North Korea to reconsider its actions.

The IAEA has also played a constructive role in dismantling Libya's clandestine nuclear weapons program.

We are pursuing proposals made by President Bush in his February speech at the National Defense University to strengthen the IAEA in its work against nuclear proliferation. We are making concerted efforts to encourage all countries to implement IAEA safeguards, including the Additional Protocol, which would greatly expand its tools to detect clandestine nuclear activities. We welcomed the Senate's decision on March 31, 2004 to give advice and consent for the Additional Protocol. We also advocate the creation of a special IAEA Board committee on safeguards and verification, in order to improve the organization's ability to monitor and enforce compliance with nuclear nonproliferation obligations.

Last year we sought and achieved a substantial increase in the IAEA safeguards budget, to be phased in over four years. Congressional support for this effort was critical and most welcome. The IAEA's safeguards mandates grew substantially over the past two decades, while its budget remained essentially flat. The additional funds will help ensure the IAEA has the staff and resources it needs to do its job.

We are active in other international organizations that play important roles in countering terrorism. These include the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO), which have significantly strengthened their security standards. Today, 188 countries are meeting ICAO's cockpit door and crew standards, which are backed up by a security audit program. ICAO is working toward implementing biometrics in passports. IMO's tough port and ship security standards went into effect on July 1 of this year and are already changing the security situation for the better in ports around the world.

In summary, Mr. Chairman, the IO Bureau, like the entire State Department, has been diligently using its resources to engage the international community in a global effort to eradicate terrorism. It is my sincere belief, and I trust you agree, that the wide-ranging actions USG agencies are taking to counter terrorism and terrorists are amplified by our coalition building within the UN, its specialized agencies and other international organizations.

Thank you.

Mr. SMITH OF NEW JERSEY. Ms. Rodley.

STATEMENT OF CAROL A. RODLEY, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. RODLEY. Thank you. Mr. Chairman, distinguished Members of the Committee, on behalf of the Bureau of Intelligence and Research, I would like to thank the Committee for organizing this hearing and for the opportunity to participate in the discussion.

The Bureau of Intelligence and Research (I&R) is a unique organization in that we are part of both the intelligence community and the Department of State. We have been directly involved in the ongoing efforts to implement the reforms of the intelligence community recommended by the 9-11 Commission, and we are, of course, equally interested in those recommendations that affect the State Department. I&R's role is to support the Secretary of State and his diplomatic mission and to provide information, insight and intelligence support to our chiefs of mission overseas and to my State Department colleagues, including those here with me today, who are our customers.

Because Secretary Powell's mission is a global one, I&R covers all countries, all the time. How do we do that? We are a very small organization with about 160 analysts, but we have depth and expertise with our unique mix of foreign service and civil service staffing. Our analysts have, on average, more time on account than those of any other agency in the intelligence community. But we also have the flexibility to reach out to other intelligence community agencies, to academics, to think tanks. We have the ability to tap expertise wherever it is found.

Another part of what makes us effective is the daily interaction we have with our policy customers. Our analysts interact with, brief and collaborate with their counterparts on the policy side from Secretary Powell on down to the desk officer level day in and day out. We understand what they care about, what they are worried about, what they know already and what they need to know.

Terrorism is a global problem, and we are global in our coverage. Since September 11, 2001, we have added coverage of terrorism as an additional job element for all of our regional analysts. Terrorism doesn't occur in a vacuum. Our regional analysts are charged with providing insight about the political, economic and cultural context in which terrorist networks operate, in which terrorist attacks occur, and in which successful counterterrorism efforts come to fruition.

Our economic analysts provide support to Assistant Secretary Wayne in his efforts to track and freeze terrorist assets. We have put together a Team al-Qaeda, which brings together analysts from regional offices, economists and terrorism specialists to deepen our understanding of both specific terrorist networks and the broader international jihadist movement.

Our terrorism analysts, working closely with partners in the intelligence community, including TTIC (Terrorist Threat Integration Center) and TSC (Terrorist Screening Center), have developed computer-aided methods to mine the volumes of data and have developed particular expertise on terrorist support networks and terrorist facilitators.

The *9/11 Commission Report* suggests a different status for departmental intelligence units such as I&R, although the details of how we will relate to the rest of the intelligence community have not been addressed. We want and need to continue to have a voice in intelligence requirements, taskings, collection and community analysis. As the discussions under way begin to flesh out the recommendations of the Commission, we hope that the result will be an enhanced capability for the national intelligence agencies on which we rely so heavily.

Four main concerns that we have raised during these discussions are the importance of developing and retaining expertise, the need to preserve and enhance competitive analysis, the requirement for global coverage, and the necessity of tailored support to specific departmental missions such as ours.

While I&R will remain heavily dependent on the rest of the intelligence community, we believe we must preserve our unique role to support the Secretary of State. Some of the proposed reforms will affect us directly; others, little, if at all.

We would strongly support reform initiatives to expand interaction between intelligence analysts, operators and collectors. We strongly believe that better, faster, easier communication among agencies will improve our effectiveness in serving our diplomatic customers, in helping to meet the needs of State and local officials, and in working with our foreign allies in the global war on terrorism.

Thank you.

Mr. SMITH OF NEW JERSEY. Ms. Rodley, I thank you very much for your testimony.

[The prepared statement of Ms. Rodley follows:]

PREPARED STATEMENT OF CAROL A. RODLEY, PRINCIPAL DEPUTY ASSISTANT
SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS

Mr. Chairman, Ranking Member, Members of the Committee:

I'd like to thank the Committee for organizing this hearing and for inviting me to participate in the discussion. The Bureau of Intelligence and Research is a unique organization in that we are part of both the intelligence community and the State Department. We have been directly involved in the ongoing effort to implement the reforms of the intelligence community recommended by the 9/11 Commission, and we are equally interested in those recommendations that affect the State Department.

INR supports the Secretary of State and his diplomatic mission; the State Department colleagues here with me today are some of our customers. Because Secretary Powell's mission is a global one, INR covers all countries all the time. How do we do that? We're a very small organization—with about 160 analysts—but we have depth and expertise with our unique mix of Foreign Service and Civil Service. Our analysts have, on average, more time on account than those of any other agency in the intelligence community. But we also have the flexibility to reach out to other intelligence community agencies, to academics, to think tanks—we can tap expertise wherever it is found. Another part of what makes us effective is the daily interaction we have with our policy customers. Our analysts interact with, brief, talk to and collaborate with their counterparts on the policy side, from Secretary Powell on down to the desk officer level day in and day out. We understand what they care about, what they're worried about, what they know already and what they need to know.

Terrorism is a global problem and we are global in our coverage. Since September 11, 2001, we've added coverage of terrorism as an additional job element for all of our regional analysts. Terrorism does not occur in a vacuum. Our regional analysts are charged with providing insight about the political, economic, and cultural contexts in which terrorist networks operate, in which terrorist attacks occur and in which successful counterterrorism efforts come to fruition. Our economic analysts provide support to Assistant Secretary Wayne in his efforts to track and freeze terrorist assets. We've put together a "Team Al-Qaida" which brings together analysts from regional offices, economists, and terrorism specialists to deepen our understanding of both specific terrorist networks and the broader international jihadist movement. Our terrorism analysts, working closely with members of other intelligence agencies, including TTIC, have developed computer-aided methods to mine the volumes of data and have developed particular expertise on terrorist support networks and terrorist facilitators.

The 9/11 Commission Report recommends a different status for departmental intelligence units such as INR and Department of Energy, although the details about how we will relate to the rest of the community have not been addressed. We need to continue to have a voice in intelligence requirements, tasking, collection and community analysis. As the discussions underway begin to flesh out the recommendations of the commission we hope that the result will be an enhanced capability for the national intelligence agencies on which we rely very heavily. Four main concerns that we have raised during these discussions are:

- the importance of developing and retaining expertise;
- the need to preserve and enhance competitive analysis;
- the requirement for global coverage;
- and the necessity of tailored support to specific departmental missions.

While INR will remain heavily dependent on the rest of the intelligence community, it also must preserve its unique role in support of the Secretary of State. Some of the proposed reforms will affect us directly, others little, if at all. We strongly support reform initiatives to expand interaction between intelligence analysts, operators, and collectors. We believe that better, faster, easier communication among agencies will improve our effectiveness in serving state and local officials and in working with our foreign allies in the global war on terrorism.

Mr. SMITH OF NEW JERSEY. And Ms. Rocca.

**STATEMENT OF THE HONORABLE CHRISTINA B. ROCCA, AS-
SISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS,
U.S. DEPARTMENT OF STATE**

Ms. ROCCA. Thank you.

Mr. Chairman, Members of the Committee, the 9–11 Commission has ably and accurately outlined the foreign policy challenges our country faces in prosecuting the war on terror. We fully share its view that we can and must win this war in which South Asia is a key battleground. Supporting that effort has been our overriding priority for nearly 3 years.

The 9/11 attacks were a turning point in the war. In Afghanistan, the Taliban regime and al-Qaeda's infrastructure were crushed, and we began the long process of assuring that it will never again be a haven for terrorists. At the same time, Pakistan became a full ally against terror, committing fully to support military operations in Afghanistan and to move aggressively against terrorists within its own borders.

American diplomacy played a central role in bringing about both these transformations. But the war continues.

Any strategy dealing with the threat of terrorism in the region must combine aggressive security steps, a long-term commitment to development and public diplomacy programs that demonstrate that it is us and not the extremists who are on the side of the people of the region.

Afghanistan's rebirth has been extraordinary. Under its new constitution, Presidential elections will be held October 9 and the parliamentary elections, next April. Our military forces helped the Government fight off extremism and promote the stability that fosters democracy and prosperity and the multiethnic Afghan national army now has over 10,000 soldiers in the field and is hugely popular. Thirty thousand Afghan National Police provide day-to-day security. NATO leads the ISAF peacekeeping force.

Afghanistan now has a stable currency, a strong banking and investment law, a sound development strategy and free market principles enshrined in the new constitution. Unofficial IMF and World Bank estimates put the economic growth at 16 percent with increased private sector interest in investment.

Transportation and power are slowly being restored. Hundreds of schools and health clinics have been constructed and rehabilitated, and our contribution of 4.3 billion over the last 3 years helped achieve these results. And Afghanistan will continue to be a top priority.

Many challenges remain, however. Disarmament of militias has been slow, to date. Pockets of Taliban, particularly in the south and southeast regions continue to mount sporadic, but nevertheless damaging attacks. The proliferation of opium poppy cultivation throughout the country must be checked and turned back. Despite these challenges, Afghanistan's forward progress is undeniable and we must remain involved to maintain it.

Moving to Pakistan, the United States-Pakistan relationship was rapidly and completely transformed following 9/11. We worked very closely with Pakistan to detain al-Qaeda and Taliban members and deny them use of its territory and help to strengthen its military border security and law enforcement capabilities.

To attack the root causes of terrorism, we assist Pakistan in revitalizing its economy, transitioning to democracy and reviving its educational system. As the Commission has observed, we must make a long-term commitment to Pakistan and sustain our assistance as it wages a difficult and dangerous struggle against extremism.

With our help, Pakistan has produced impressive results. More than 550 al-Qaeda members have been detained, military operations are being conducted along the Afghan border to deny safe haven to terrorists. Effective operations against al-Qaeda continue in the cities. Economic revival with a 6.4 growth rate has allowed a near doubling of the domestic expenditures on education.

Nevertheless, al-Qaeda and Taliban operatives remain at large, and much work remains in laying the political foundations of a prosperous, moderate society. Robust economic growth must continue for years to reduce poverty significantly. And it will also take years before efforts to improve education bear full fruit. So it is clear that our relationship with Pakistan must be long term.

Passage of the President's requested multi-year aid package for Pakistan is, therefore, critical, and this will be the most effective evidence that we will be a reliable, long-term partner for Pakistan.

I just want to say a word on the vital role of public diplomacy in the region. Assistant Secretary Harrison has covered a lot of it, but the Commission has rightly pointed out that the war on terrorism is a struggle of ideas, and public diplomacy is a fundamental part of every diplomat's work in the Bureau. Our efforts are enhanced by an array of public diplomacy and exchange programs funded by the Congress, and we thank you for that support.

While security concerns hamper our outreach efforts in both Afghanistan and Pakistan, we are not deterred, and public diplomacy remains one of our most important tools. We will continue vigorous exchanges and information efforts, particularly with youth and non-elite groups.

We are very grateful for the 9–11 Commission's great analysis and recommendations, and I have reviewed for you today some of the ways in which we believe we are already carrying out some of those recommendations. And we look forward to your questions. Thank you.

Mr. SMITH OF NEW JERSEY. Secretary Rocca, thank you very much for your testimony.

[The prepared statement of Ms. Rocca follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS

Mr. Chairman and members of the Committee, I am happy to be here today to discuss with you the United States' diplomatic activities in South Asia on behalf of the Global War on Terrorism. The Final Report of the National Commission on Terrorist Attacks Upon the United States ably and accurately outlines the foreign policy challenges our country faces. We fully share the view articulated by Secretary Powell and the Commissioners that we can and must win this war—supporting that effort has been our overriding priority for nearly three years. The Final Report offers a number of recommendations regarding our diplomatic efforts in South Asia that fully recognize the challenges we face—as well as the inescapable conclusion that engagement with the region will remain a leading foreign policy priority for many years to come. My staff and I have reviewed the Final Report and I sent it to all of the U.S. Ambassadors in the region. I am pleased to address the Final Report's recommendations with you today.

South Asia is a key battleground in a Global War on Terror that began long before the tragic assault against the United States in September of 2001. In many ways, however, the attacks of 9/11 can be seen as a turning point in that war, particularly in Afghanistan and Pakistan. After that date, an international coalition led by the United States was able to effectively crush the Taliban regime and the al Qaida infrastructure in Afghanistan, returning that war-torn country to its people and beginning the long process of assuring it will never again be a haven for terrorists. The American people can take great pride in the ongoing transformation of Afghanistan, as they will in the national presidential elections that will take place in October.

Very soon after September 11, President Musharraf and the Government of Pakistan committed itself fully to support military operations in Afghanistan and, just as importantly, to move aggressively against terrorists within its own borders. Pakistan is now a key ally. American diplomacy played a central role in bringing about this progress.

We recognize, however, that we cannot rest on our laurels. Many challenges remain. A Taliban insurgency continues in some parts of Afghanistan. Terrorist operatives continue to be detected and apprehended in Pakistan. Just as significantly, deficiencies in education, health, employment and numerous other social and economic indicators make it clear that the factors that encourage and nurture extremism are still very present in Pakistan, Afghanistan and other South Asian countries. Attitudes toward the United States in the region, particularly among Muslim populations, have grown more negative, which also can contribute to support for extremism. For any strategy to effectively deal with the threat of terrorism in the region, it has to combine aggressive security steps, a long-term commitment to development and public diplomacy programs that will demonstrate to South Asian Muslims that the United States is sincere in its desire for a better and safer life for them and their children.

AFGHANISTAN:

Mr. Chairman, we agree completely with the Commission recommendation that “. . . the United States and the international community should make a long term commitment to a secure and stable Afghanistan, in order to give the government a reasonable opportunity to improve the life of the Afghan people. Afghanistan must not again become a sanctuary for international crime and terrorism . . .”

One of the major accomplishments so far in the War on Terrorism is the removal of Afghanistan as a haven for terrorists. Before 9/11, the partnership between the Taliban and al Qaida had allowed the terrorists to flourish. The Taliban ruled over Afghanistan with an absolutism that denied many fundamental human rights, including respect for basic civil liberties and allowing women to work or go to school. After years of war and inter-tribal disputes, the country's infrastructure was in shambles and many Afghans had been forced to flee their homeland. This has ended. In the fall of 2001, al Qaida's Afghan infrastructure was destroyed and the Taliban were deposed. Our task now is to make sure that Afghanistan never again becomes a site of oppression and a haven for terrorists.

Today, Afghanistan is in the midst of a historic transition. Since October 2001, extraordinary progress on political, economic, and reconstruction fronts has been achieved. Opponents who previously settled scores through violent confrontation are now bracing to face each other at the ballot box, as the country prepares for presidential elections on October 9 and subsequent parliamentary elections in April 2005. In January 2004, Afghanistan adopted one of the most enlightened constitutions in the Islamic world.

The results of Afghanistan's improved security environment are becoming more visible. The United States and its Coalition partners continue to maintain sizeable military forces in Afghanistan, helping the government fight off extremism while fostering democracy and prosperity. They serve not as occupiers, but as partners in helping to facilitate security and stability. In many provinces, Provincial Reconstruction Teams (PRTs) help provide security, stability and development. In total, 17 PRTs can be found around the country, with additional locations, proposed by the Ministry of Interior, planned in upcoming months. The multi-ethnic Afghan National Army (ANA), now with over 10,000 soldiers, is steadily coalescing into a true national defense force. The ANA is hugely popular throughout Afghanistan, constantly drawing cheering crowds of grateful citizens such as those who lined the streets of Kandahar for its first appearance there. Afghan National Police (ANP) officers have been trained to provide day-to-day security in the provinces and in Kabul. NATO leads the ISAF peacekeeping force. This unprecedented move for the Alliance has led to the expansion of ISAF beyond Kabul with its recent assumption

of 3 PRTs in the northern provinces with 2 additional PRTs scheduled to open by September. To assist with election security, NATO is deploying of additional battalions from Spain and Italy.

The Afghan government's counter-terrorism efforts include improved border and immigration controls, and better communication between government agencies and police, intelligence, and border patrol personnel. On a broader level, ongoing USG support has allowed the Afghan Independent Human Rights Commission (AIHRC) to open offices in every region of the country. AIHRC programs educate political parties, Afghan officials, and NGOs about political rights and civic responsibilities, inculcating a social environment that discourages terrorist activity.

On the economic front, Afghanistan has made significant progress in the preceding three years. From the ruins of two decades of conflict, Afghanistan's leaders have steadily advanced economic policy, implementing a stable new currency in 2002, passing a strong banking investment law in 2003, and overall adopting a national development strategy that recognizes the need to work toward sustainability by limiting spending and boosting revenues. The government is establishing the basis for a free trade regime with customs duties among the lowest in the region and free market principles enshrined in the new constitution. Unofficial IMF/World Bank estimates put economic growth at 16% of GDP, and the private sector is showing increasing interest in Afghanistan as an investment opportunity.

Reconstruction efforts are moving ahead aggressively. Driving times between Kabul and Kandahar have been dramatically reduced, thanks to a paved highway that now links Afghanistan's two largest cities. Extending this Afghan ring road is now the major focus, with the Kandahar to Herat stretch scheduled for completion in December 2005. In the south the Kajakai Hydroelectric Plant, which provides electricity to Kandahar, is being overhauled by the USG. Hundreds of schools and health clinics have been constructed and rehabilitated, and school attendance for girls and boys increased to a record 3.5 million last year.

These and other achievements are the result of long-term commitment from the United States. Since FY 2001, the U.S. has committed over \$4.3 billion to Afghanistan's reconstruction, by far the largest of any international donor. In FY 2005, Afghanistan will continue to be a top priority for U.S. national security, both as a linchpin for regional stability in South Asia and a central focus of the Global War on Terror.

To carry out these commitments, the Department's presence in Afghanistan has grown as well. Since the reopening of the embassy in December 2001, the number of Department staff has increased steadily. There are now 70 Department positions in Afghanistan, including 13 positions with the PRTs that extend U.S. on-the-ground presence into the provinces. Embassy Kabul is still an unaccompanied post, housing conditions will remain Spartan until completion of the new embassy compound, and significant quality of life issues affect those serving there. Nonetheless, the Department has developed an incentive plan for Afghanistan and employees have volunteered in substantial numbers, motivated by pride, patriotism and an opportunity to make a difference.

Many challenges remain. The Disarmament, Demobilization, and Reintegration (DDR) process has progressed in fits and starts. While over 12,000 combatants have been demobilized to date, the DDR program must demobilize and reintegrate 17,000 more combatants over the next two months if it is to remain on schedule. Our Ambassador has been actively engaged with regional commanders and leaders to move DDR forward. Pockets of Taliban, particularly in the South and Southeast regions, continue to mount sporadic, but nevertheless damaging attacks. Their specific targeting of NGO and UN reconstruction efforts in the provinces, including some election preparation activities, is troubling. It is part of a cynical campaign to seek power by destroying the future of their own countrymen. Establishing and maintaining adequate security throughout Afghanistan, for Afghans as well as all those seeking to help them, remains our highest priority.

Looming like a cloud over Afghanistan's most prolonged period of stability in 23 years is the proliferation of opium poppy cultivation throughout the country, a development that, left unchecked, threatens to undo many of the advances made during the previous three years. Nevertheless significant progress was made in developing Afghan counter-narcotics capacity this year. The Afghan Special Narcotic Force has begun interdiction operations in key provinces. The Central Poppy Eradication Force has been established and, while results were mixed this year, the force and the Government have gained valuable experience, which should be well used during the next season.

Despite these challenges, Afghanistan's forward progress is undeniable. Our engagement in Afghanistan has engendered much goodwill among the population who see the U.S. commitment to their country as more than just rhetoric. More impor-

tantly, however, we must remain involved to ensure that Afghanistan never again plays host to the forces of violence, intolerance, and instability, a deadly convergence that directly resulted in the attacks of September 11, 2001.

PAKISTAN:

The attacks on the World Trade Center and the Pentagon set in motion events that completely transformed the U.S.-Pakistan relationship. Although our two countries were allies in the Cold War—especially in the struggle against the Soviets in Afghanistan—we drifted apart thereafter. On September 10, 2001, we had no aid program in Pakistan, little in the way of military-to-military relations, and only a limited intelligence relationship. By September 12 that began to change—and did so rapidly. As the Commission Report suggested, President Musharraf did indeed make an historic, yet difficult decision to join the United States in the Global War on Terror. He cut the Pakistani Government's ties to the Taliban and permitted U.S. forces access to Pakistani territory. Without Pakistani help, our victory in Afghanistan would have been far more costly and difficult.

In line with the Commission Report recommendations, everything done by the South Asia Bureau and our courageous country team in Pakistan, since the terror attacks has been intended to further the Global War on Terror and prevent a repetition of the terrible events of September 2001. We have encouraged Pakistan to detain al-Qaida and Taliban members and deny them use of its territory to organize attacks on our forces in Afghanistan, and have provided it assistance to help achieve those goals. We have tried to get at the root causes of terrorism, and assist Pakistan in revitalizing its economy, transitioning to democracy, and reviving its educational system. We have also sought to foster reconciliation between India and Pakistan. Peace, if it can be achieved between these two long-time rivals, would do much to calm extremist impulses in the region.

We have sought to assure Pakistan that the United States is a reliable partner for the future. President Musharraf has clearly stated his view that Pakistan should have a culture of “enlightened moderation.” At the same time, he called on us to address the real concerns of the moderates in Pakistan and the Muslim world. As the Commission has observed, we must make a long-term commitment to Pakistan as it wages a difficult and dangerous struggle against extremism.

Let me now review in greater detail our most important programs:

Military Assistance: The Commission Report emphasizes the need to bolster Pakistan's military capabilities. This has been one of our top priorities. In keeping with our desire to build a long-term relationship, we have sought generally to respond to Pakistan's legitimate defense needs. The primary purpose of our military assistance is to improve Pakistan's ability to deal with al-Qaida and Taliban remnants that have gathered along its poorly policed 1500-mile border with Afghanistan. Some has also gone to fund military training. As you know, U.S.-Pakistani military ties were close during the Cold War years. Pakistan has much U.S. military equipment, and many of their senior officers studied in our military schools. While prior to September 11 these links had seriously frayed, we have been able to revive them. Since 2001, 172 Pakistani officers have attended U.S. military schools at a cost of \$3.13 million in International Military Education and Training (IMET) funds. During the same period \$374 million in Foreign Military Financing (FMF) funds have allowed us to repair older U.S. equipment in Pakistan's inventory and deliver some important new communications and helicopter lift capabilities that directly support Pakistan's counter-terror operations.

Border Security/Law Enforcement/Anti-Terrorism Assistance: Building up Pakistan's law enforcement and border security capabilities has been another important element in our strategy. Since September 11, we have been using over \$154 million in the International Narcotics and Law Enforcement (INCLE) account to assist Pakistan in improving its law enforcement capabilities, promoting police reform, fighting narcotics trafficking and poppy cultivation, and in establishing a presence along significant stretches of its previously un-policed Afghan border. These monies have been used, for example, to establish an Interior Ministry air wing of three fixed-wing planes and eight Huey II helicopters with two additional Huey IIs slated to arrive soon. The Wing gives the Anti-Narcotics Force and paramilitary Frontier Corps much needed mobility. Our assistance to Pakistani law enforcement agencies has had results: for example, heroin seizures are up 224 percent over last year. INCLE funds are also being used to construct 390 kilometers of roads to open up what were once inaccessible border regions so security forces can enter and local populations can have access to development. In these areas, the terrorists and Taliban no longer have free rein to move back and forth at will across the border.

Also, since 2002 we have spent over \$14 million in Diplomatic Security's Anti-Terrorist Assistance (DS/ATA) programs in Pakistan, most significantly the training of the new CT Special Investigative Group. Other DS/ATA courses provided have included Hostage Negotiation, Crisis Response, VIP protection, Incident Management, and Senior Crisis Management.

Economic Development: We have sought to spur economic growth and give hope to the millions of Pakistanis mired in poverty. This is an ongoing part of our comprehensive strategy to counter terrorism, as the Commission report also recommends. It also must be a long-term commitment. Since 9/11, we have provided Pakistan \$788 million in budget support and two separate tranches of debt relief that have allowed Pakistan to cut in half its official debt to the U.S., from \$3 billion to \$1.5 billion. The remaining \$1.5 billion debt is far less burdensome to the Pakistani Government thanks to the generous bilateral rescheduling of Pakistan's Paris Club debt. Our economic growth strategy supports the Pakistan Government's Poverty Reduction Strategy and provides economic opportunities to the underserved. In light of the high youth unemployment and increasing urgency for Pakistan to compete in the global economy, we are supporting a competitiveness initiative, which includes a comprehensive public-private dialogue, and are taking steps to improve agricultural productivity in poorer regions of the country and increase access of talented and needy youth to higher education in the fields of business and agriculture in leading Pakistani universities.

Education: Education is absolutely crucial to Pakistan's development as a moderate, democratic nation. President Bush has made education a major part of our assistance program to Pakistan and committed to a 5-year \$100 million plan to help rebuild the public education system in that country. Since autumn 2001 we have provided \$64 million to improve the quality of primary and secondary education at the classroom level. We are focusing on Balochistan and Sind provinces, areas that need the most assistance. We are training teachers and school administrators, establishing adult literacy centers, introducing early childhood education programs, and increasing parental and community involvement in education. We are also reconstructing and furnishing 130 schools in the Federally Administered Tribal Areas along the Afghan border, which also reflects a similar recommendation made in the Commission Report.

Democracy: Supporting President Musharraf's vision of a moderate Islamic democracy has been another priority. Since autumn 2001, we have provided \$19 million for programs aimed at making Pakistan's democracy more participatory, representative and accountable, and there is more to come. In August 2003, Pakistan and USAID signed a three-year grant to support a package of "good governance" initiatives announced by the Pakistani Government in 2001. USAID's program promotes better governance by strengthening national and provincial legislatures, district governments, civil society organizations, and the media.

All these efforts have produced results, although I have to say much credit goes to our Pakistani partners, who recognize their own vital stake in the War on Terror. Since 9/11, Pakistan has detained more than 500 al-Qaida members, including such senior operatives as Khalid Shaykh Mohammed and Abu Zubayda. In October 2003, Pakistan began military operations against al-Qaida and Taliban remnants hiding along the Afghan border in the Federally Administered Tribal Areas. These ongoing operations have involved almost 70,000 troops and police. Their cost to Pakistan has been high—in terms of money and casualties. More than 70 Pakistani police and military servicemen have been killed, a number not too far below the total number of deaths due to enemy fire that we have suffered in the course of Operation Enduring Freedom. The benefits of this operation are now becoming apparent: The Pakistani military is denying safe haven to terrorists in an area in which they used to operate freely, forcing al-Qaida militants to spend time ensuring their own security rather than planning attacks on United States targets.

In addition to operations along the frontier, the Pakistani Government is conducting effective operations against al-Qaida in the cities. Pakistani authorities recently have detained several important al-Qaida operatives who have provided valuable information on potential terrorist plots in this country.

The good news, however, is not limited strictly to counterterrorism. Our assistance combined with sound economic management by the Pakistani government has stimulated a revival of the Pakistani economy. Since 2001, inflation has declined to 4.1 percent; Pakistan's foreign exchange reserves have risen from almost nothing to record levels based on strong exports; and its GDP growth reached 6.4 percent in FY 2004.

Thanks to its stronger financial health, Pakistan has been able to raise expenditures on education as a percentage of GDP every year since 2001. Spending on edu-

cation by all levels (federal, provincial, and district) of the Pakistani Government has increased from 971 million rupees in 2001 to 1.91 billion rupees in 2004.

Looking to the future, however, there is still a great deal of work to do. Significant numbers of al-Qaida and Taliban operatives remain at large. And even if Usama bin Ladin were captured tomorrow, much would remain to be done to ensure that the foundation of the prosperous, moderate society envisioned by President Musharraf has been properly laid. The Pakistani economy will have to maintain its current growth rate for years if it is to reduce poverty significantly and give ordinary Pakistanis genuine hope for a better life. Similarly, it will take years before efforts to improve education bear full fruit. The same is true of our efforts in public diplomacy.

All of this reinforces something I said earlier, and which the Commission recognizes as well—our relationship with Pakistan must be long-term. While the Pakistanis and we have worked hard these past three years, the effort has to be sustained. From my many discussions with Pakistanis, I know that nothing worries them more than the thought that the United States will lose interest in them once the immediate crisis has passed.

Passage of the President's requested aid package for Pakistan is therefore critical. As you are aware, in June of 2003, the President made a five-year commitment to Pakistan of \$600 million per year, evenly divided between military and economic assistance. Such a multi-year commitment is rare and a clear sign of the President's and our commitment to Pakistan over the long haul. Our implementation of this commitment will be the most effective evidence that we will be a reliable partner in Pakistan's struggle to defeat terrorism that threatens both it and us, and to build a society in which extremism cannot flourish.

THE VITAL ROLE OF PUBLIC DIPLOMACY:

As the Commission's Report acknowledged, public diplomacy has a significant role in the War on Terrorism. We must rebut the inaccurate and damaging perceptions of our intentions that have developed in recent years and provide positive examples of the values and ideals espoused in the U.S. including religious tolerance, women's rights and economic opportunity. Mr. Chairman and Members of the Committee, the Commission rightly points out the War on Terrorism is a struggle of ideas; that to promote moderation, we need to defend our ideals. In pursuit of this goal, the Bureau of South Asian Affairs works vigorously to build relationships between the United States and individuals and communities in South Asia. This is one of our highest priorities. American diplomats serving in our region are enormously proud of the contributions they are making as they work in some of the toughest posts in the world. They are committed to effectively articulating and defending the image and values of the United States and our foreign policy. Public diplomacy is a fundamental part of the work of every Ambassador and every diplomat in our Bureau.

Our efforts are enhanced by an array of public diplomacy and exchange programs funded by Congress. The Report directly addresses the continuing need for public diplomacy enhancements to "rebuild the scholarships, exchange and library programs that reach out to young people and offer them knowledge and hope."

We thank you for Congressional support for the Secretary's Diplomatic Readiness Initiative (DRI). With your support, our public diplomacy staffing in the field has begun to rise. We are also grateful to the Congress that the two Emergency Supplemental Appropriations enhanced funding for public diplomacy programming to pursue the Global War on Terrorism. This enabled us to take immediate action to increase our level of engagement with South Asian publics. In partnership with the Bureau of Educational and Cultural Affairs, we launched a series of special exchange programs to bring educational and religious leaders as well as youth leaders and professionals to the United States. We will be working closely with the Under Secretary for Public Diplomacy and Public Affairs to further expand public diplomacy activities in South Asia.

We have already begun to enhance library programs in South Asia using existing resources and are looking for ways to further expand libraries, as the Commission has recommended. Our public diplomacy officers strongly believe that the American Center Libraries that have been respected community institutions in major South Asian cities for two generations have an important role—providing outreach platforms and firmly branding the United States with the deeply held South Asian value on education as a means for professional achievement. We are hopeful that the latest in communications and information technologies can help bring America's best and most impressive resources—our people and their phenomenal vitality—to help build lasting relationships with South Asians while enhancing the region's democratic, social and economic institutions.

The Commission recommended that the United States “make the difficult long-term commitment to the future of Pakistan.” There is a central role for public diplomacy in this commitment. Security concerns continue to hamper our outreach efforts in Pakistan, but we are not deterred and public diplomacy and public outreach have been important tools. The Voice of America (VOA) has expanded its Medium Wave broadcasts in Urdu to 12 hours a day, and its special programming for Pakistan will be rebroadcast two hours a day throughout the country on FM radio. We have opened 150 American Discovery Centers in high schools around the country. Approximately 480 Pakistani academics, opinion and youth leaders and rising politicians have visited the United States under our government-sponsored exchange programs since 2001. In the 2002–2003 academic year, over 8000 Pakistani students studied in the United States, and our Mission in Pakistan has ambitious programs to promote and expand this important tool to influence the country’s future leaders. We will continue these vigorous exchanges and information outreach efforts.

Pakistan remains one of our most important allies in the Global War on Terrorism; we must remain Pakistan’s partner in spurring educational opportunity and economic growth—assuring meaningful alternatives for Pakistan’s young people. In one initiative already under way, our Mission in Pakistan, the Bureau of Educational and Cultural Affairs’ Fulbright Program and USAID are partnering to dramatically expand the number of Pakistani educators receiving advanced degrees in the United States—an investment that will dramatically upgrade university education in that country.

On Afghanistan the Commission said “the United States and the international community should make a long term commitment to a secure and stable Afghanistan . . .” Our public diplomacy and public affairs programs in Afghanistan are focused on building support for democratic institutions and encouraging moderation, countering Taliban propaganda, supporting educational institutions, and rebuilding relationships that have languished for almost a quarter century. The Voice of America and Radio Free Afghanistan now broadcast to Afghanistan 24 hours a day. International Visitors, Fulbright and Humphrey programs have already brought dozens of Afghans to the United States, including several groups of Afghan religious leaders and educators, and more are on the way. We are bringing young people to study at our high schools and live with American families and using cultural programs to reach out to young people in the region. And soon, we will be opening the first four American corners in Afghanistan, designed as centers for information on the United States and venues for events that can support our public diplomacy and foreign policy goals.

CONCLUSION:

Mr. Chairman and Members of the Committee, We are grateful to the National Commission on Terrorist Attacks Upon the United States for its analysis of the problems facing the United States as it fights the Global War on Terrorism and its recommendations on how the war can be most effectively brought to a successful conclusion. I have reviewed for you today some of the ways in which I believe we are already carrying out those recommendations. Thank you very much for your interest and I will be happy to take any questions.

Mr. SMITH OF NEW JERSEY. Mr. Dibble.

STATEMENT OF THE HONORABLE PHILO DIBBLE, ACTING ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. DIBBLE. Mr. Chairman, distinguished Members of the Committee, thank you on behalf of the Bureau of Near Eastern Affairs for this opportunity to address this gathering. The Bureau of Near Eastern Affairs has recognized the importance of counterterrorism for decades. It has been a feature of our engagement with countries in our region.

The events of September 11 and subsequent attacks have intensified that cooperation where it already existed and have allowed us to establish new cooperation, based on recognition of the global threat that al-Qaeda represents, but also on the internal threat to governments in our region which they came to recognize. Very

briefly, I would like to identify some of the new developments that have emerged since 9/11.

First and most obviously, Saddam Hussein is no longer a threat to stability in the region, and the Iraqi Government is now a partner and not an enemy in the global war on terrorism.

Libya has distanced itself from terrorism and its sponsorship. Other governments in the region have offered help in a variety of ways beyond counterterrorism cooperation on the intelligence and operational side. Egypt has provided essential support to Operation Iraqi Freedom. Tunisia has provided specific and timely information about terrorist threats. Bilateral ties with Algeria have significantly expanded, most recently with increased focus on the terrorist threat emanating from the Pan-Sahel region.

With Israel, through the joint counterterrorism research and development program, we exchange information and cooperate on the development of counterterrorism technology. Jordan's Government has aggressively pursued the Zarqawi network, thwarting an April, 2004 attempt to bomb the American Embassy and key Jordanian Government facilities. The Moroccan Government has passed legislation facilitating the investigation and prosecution of terrorist cases. It has terrorist finance legislation pending in parliament.

United States training and assistance has boosted Yemen's counterterrorism capabilities and led to the apprehension of two key al-Qaeda operatives. Our development assistance there has enhanced internal stability and deprived al-Qaeda of operating space.

These are, in a sense, the easy parts. These achievements are logical conclusions from the recognition by governments in our region of threats either global or internal to them. The harder part, which the Commission addresses quite explicitly, is the issue of political and economic reform as an essential element to the long-term counterterrorism struggle. We are working on this as well.

The Commission recommended that the United States and Saudi Arabia, for example, openly confront the difficulties in the bilateral relationship and seek to establish a new relationship built on more than oil, based on the shared commitment to political and economic reform as well as Saudi efforts to promote tolerance and to confront extremism.

Let me say, first of all, that the United States-Saudi relationship has for a long time been built on more than oil. However, it is certainly true that the Saudi Government has come to a recognition that political change and economic reform were important not only to help the country deal with its economic problems—specifically unemployment—and to present new prospects to its population, but also as part of the counterterrorism struggle.

It has begun on its own initiative to revise textbooks and curricula. The Ministry of Education sponsors summer camps that promote moderation in teaching. The State Department, for its part, has supported educational reforms by including Saudi education officials in our international visitor programs in addition to supporting English language teaching and teacher training. For the past 3 years, the State Department has sponsored visits of Saudi religious educators to examine religious education in the United States. The Middle East Partnership Initiative, to which Ambassador Wayne has already referred, has sponsored a visit to the

United States of a group of woman educators to look at educational research. What we are trying to do in this, in keeping with the President's outline of the broader Middle East and North Africa Initiatives, is to follow the Saudi lead as they recognize the importance of certain changes and help them execute them, bringing resources that we have to bear to implement them.

The second recommendation is that the United States strengthen its perception among Muslim peoples as a source of hope for a better future. Both Assistant Secretary Harrison and Assistant Secretary Wayne have alluded to the activities of the Middle East Partnership Initiative, various new broadcasting initiatives, so I won't dwell on those here.

We are working to develop the details of the broader Middle East Initiative as announced at Sea Island. We think the important new future that it has is the multinational aspect and the idea of cooperation, not just between us—the United States and countries in the region—but more broadly between countries in the region and the industrialized world as a whole.

With that, I will stop and welcome your questions. I look forward to working with this Committee as we continue addressing this.

[The prepared statement of Mr. Dibble follows:]

PREPARED STATEMENT OF THE HONORABLE PHILO DIBBLE, ACTING ASSISTANT
SECRETARY OF STATE FOR NEAR EASTERN AFFAIRS

Mr. Chairman and distinguished Members of the Committee, thank you for inviting me to testify before the Committee today on behalf of the State Department's Bureau of Near Eastern Affairs. There is no higher priority for the NEA bureau than safeguarding American lives whether in the United States or abroad. We have reviewed the 9/11 Commission report thoroughly, and we welcome its recommendations.

Ambassador Black has highlighted for you the extensive cooperation that we have undertaken since 9/11 to work around the world on intelligence sharing, law enforcement cooperation, and efforts to upgrade the capacity to deter and defeat terrorism around the world. Let me review for you some of the most noteworthy developments in the Middle East and North Africa over the past 35 months, in addition to addressing two specific recommendations that the Commission made that relate to the countries of the region.

REGIONAL REVIEW

We are engaged with every government in the Middle East and North Africa to fight terrorism, and have had significant successes. Since 9/11, terrorists have struck ten countries in the region, plus Gaza and the West Bank. These terrorists are targeting innocent civilians, making it abundantly clear that such attacks are not the work of true followers of any religion, but of criminal zealots.

First and most obviously, the United States and our coalition partners have removed an Iraqi regime that harbored terrorists and sponsored terrorism. Saddam Hussein is no longer a threat to stability, and Iraq is now a partner, not an enemy, in the Global War on Terrorism.

Less dramatically, but also of critical importance, we have achieved some success in turning Libya away from terrorism. This has been the result of quiet diplomacy and persuasion, working closely with others. The Libyan government has publicly accepted responsibility for the bombing of Pan Am 103 and is seeking to align itself with the international community in the war on terrorism. Qadhafi has acknowledged publicly Libyan cooperation with the West against al-Qa'ida and other Islamic extremists. Libya's renunciation of weapons of mass destruction shed critical light on the network of global proliferators and helped reduce the possibility of the world's most dangerous weapons falling into the hands of terrorist networks. We still have concerns about some Libyan actions; in particular, the allegations of plotting against the Saudi royal family, but will continue our efforts to ensure that Libya adheres to its renunciation of the use of violence for political purposes.

Other governments in the region have offered help in a variety of ways. Egypt has provided essential support to Operation Iraqi Freedom, maintaining a field hospital in Bagram, Afghanistan, that serves the needs of thousands of Afghans and advances Coalition efforts in that theater, and is exploring ways to train Iraqi police. They have worked with us to crack down on the financing activities of terrorist entities and continue robust intelligence, law enforcement and domestic security cooperation to combat terrorism. Tunisia has similarly provided specific and timely information about terrorist threats that has enabled us to take preventive measures and has saved lives.

Algeria was the first foreign government to offer condolences and support in the aftermath of 9/11. Our bilateral military ties have significantly expanded, most recently with increased focus on the Islamist threat emanating from the pan-Sahel region. The Algerian government has been active in identifying terrorist financiers and proposing names of individuals and entities to include on the UN sanctions list, and is aggressively pursuing terrorists. Earlier this year, the Algerian government announced plans, under African Union auspices, to create a terrorist research center in Algiers.

We have greatly expanded counterterrorism cooperation with Israel since 9/11. Israel has made many of its counterterrorism technology applications available to the United States as a contribution to the Global War on Terrorism. Through the Joint Counterterrorism Research and Development Program, we exchange information and cooperate on the development of CT technology. We also exchange information in law enforcement, public health and other areas of mutual concern.

Jordan has been an invaluable ally in the Global War on Terrorism. Its government has aggressively pursued the Zarqawi network, thwarting an April 2004 plot to bomb the American Embassy and key Jordanian government facilities and convicting Zarqawi-associated terrorists responsible for the 2002 assassination of USAID official Larry Foley. Jordan has actively supported international efforts in Afghanistan and Iraq, providing field hospitals in both countries and hosting the training of Iraqi police, military and security officials. Jordan has frozen identified terrorist-related financial accounts and has toughened its border.

The Moroccan government passed legislation facilitating the investigation and prosecution of terrorist cases and has terrorist finance legislation pending in Parliament. We have increased military and economic assistance to Morocco as partial recognition of the pressures its government faces from Islamic extremists seeking to exploit persistent socio-economic ills. Morocco is eager to participate in U.S. law enforcement training programs, which we hope might start as early as FY 2006.

Counterterrorism cooperation has been the cornerstone of U.S.-Yemeni relations, and has expanded steadily since 9/11. U.S. training and assistance have boosted Yemen's counterterrorism capabilities and yielded important successes—including apprehension of key al-Qa'ida operatives. U.S. development assistance targeting health, education, and agriculture in remote, underdeveloped regions of this extremely poor country have further enhanced internal stability and deprived al-Qa'ida of operating space.

The Middle East Partnership Initiative (MEPI) is a Presidential initiative founded to support economic, political, and educational reform efforts in the Middle East and champion opportunity for all people of the region, especially women and youth. MEPI is breaking new ground every day across the region, whether with a small grant to teach business skills or legal rights to women, or a much larger award to strengthen the capacity and independence of judicial systems throughout the region. The 9/11 Commission's report specifically recommends the type of programming that MEPI has seeded across every country of the region in just over a year. Our unique combination of top-down and bottom-up reform strategies are ensuring that the people of the Middle East can seize the opportunities that expanded trade and investment, contemporary education and vocational training, and new civic and political structures will create. I will discuss these programs in more detail later.

SPECIFIC RECOMMENDATIONS

U.S.-Saudi Relations

Let me turn now to two specific recommendations the Commission made. We are pleased that the Commission focused attention on our relationship with Saudi Arabia. It is particularly important in the context of 9/11. The Commission recommended that the United States and Saudi Arabia openly confront the difficulties in the bilateral relationship and seek to establish a new relationship built on more than oil, based on a shared commitment to political and economic reform, as well as Saudi efforts to promote tolerance and confront extremism.

We agree with this recommendation and are working hard to define a new, broader vision of our relations with the Kingdom. Saudi leaders have told us that they recognize the need for reform. Crown Prince Abdullah has embarked on a plan for measured economic and political reform, and the Kingdom is working to accede to the WTO, which will necessitate fundamental economic reforms. In July 2003, the United States and Saudi Arabia signed a Trade and Investment Framework Agreement, and the Saudis recently adopted new laws opening capital markets and the insurance sector to greater foreign participation. We continue to provide technical assistance to clarify whether Saudi government regulations meet WTO obligations. The first-ever elections for half of the kingdom's municipal councils are planned in three stages beginning in November. We support this increase in the participation of the people of Saudi Arabia in political life, but recognize that more needs to be done. For example, we understand that women may not be allowed to vote in this fall's elections.

Progress in fulfilling Crown Prince Abdullah's objectives to promote tolerance has been incremental. In May 2003, the Crown Prince created a National Dialogue which has met three times to discuss political reform, religious moderation and women's rights. The Saudi government has embarked—on its own initiative—to revise textbooks and curricula. The Ministry of Education sponsors summer camps as part of the Saudi government's effort to promote moderation. The Ministry of Islamic Affairs has begun a multi-year program to educate imams and monitor religious education to purge it of extremism and intolerance. The State Department Bureau of Educational and Cultural Affairs has supported educational reform by including Saudi education officials in our International Visitor Programs, in addition to supporting English language teaching and teacher training in the Kingdom. For the past three years, the State Department has sponsored visits of Saudi religious educators to examine religious education in the United States. The Middle East Partnership Initiative (MEPI) has sponsored the visit to the United States of a group of women educators to look at educational research as part of the International Visitor Program.

Building Long-Term Relations with Muslim Cultures

The Commission also recommended that the United States strengthen its perception among Muslim peoples as a source of hope for a better future, even when their governments do not subscribe to the rule of law and respect for human rights and human dignity.

This necessarily will be a long process, but the Commission has made no more important recommendation for the future of our relations with the world's one and one-half billion Muslims—almost one-fourth of global population. The State Department Bureau of Public Diplomacy is already working to do this on many fronts. It starts with support for reform and modernization in the Middle East and North Africa, which is not just a matter of promoting shared values or of ensuring basic human rights, crucial as both of those concerns are. It is also a matter of practical American interests. Ignoring these issues is no longer an option.

With the Broader Middle East and North Africa Reform Initiative (BMENA) launched at Sea Island by the G-8 leaders, we are making the United States a force to support reform efforts in the region. The initiative draws upon the message of progress recently articulated by many voices in the region. The Arab League recently cited the importance of reform in its Tunis Declaration and the Arab Business Council spoke out about building a better business and investment climate in the region. The United Nations Arab Human Development Reports have similarly stressed the importance of civil society, through reform conferences in Alexandria, Cairo, Sanaa and Istanbul.

We understand that reform imposed from the outside has no chance of long-term success. Each country in the region is unique and has different political, social and cultural needs. The leaders of the G-8 nations, with leaders from the Broader Middle East and North Africa, are developing a vibrant dialogue forum for engagement on the vital task of providing a moderate consensus about a vision for a better future and the practical steps that might contribute to achieving it. To this end, the first meeting of the Forum for the Future that was announced at the Sea Island Summit will take place later this year, and planning is already underway. The Forum for the Future will include components on economic and political reform and, importantly will incorporate non-governmental Business-to-Business and Civil Society Dialogues.

Reform begins with programs that have a measurable impact on ordinary people's lives, helping people fulfill their aspirations. Through MEPI, we are already working with governments and civil society throughout the region to support expansion of political opportunity, democracy, economic and educational reform, and the em-

powerment of women. This initiative, a broad partnership between governments, the private sector and civil society, was launched a year and a half ago, and is a key mechanism to support the President's vision for democracy and freedom across the region.

We are focusing efforts at political reform in the region on strengthening freedoms, democratic processes and good governance. We have administered programs that are strengthening political parties and parliaments, funded a regional women's campaign school in Qatar; co-sponsored with Bahrain a regional judicial reform forum, and funded training for journalists in Morocco, Tunisia, Algeria, Lebanon and Bahrain.

In support of the President's goal to create a Middle East Free Trade Area within a decade, MEPI has provided technical assistance to promote economic reform and begin to build intra-regional trade in anticipation of negotiating Free Trade Agreements and Trade and Investment Framework Agreements. And we are seeing results: in March, Morocco joined Jordan as the second Arab country to complete free trade negotiations with the United States.

Economic prosperity and strong democratic institutions are not possible without a well-educated workforce. To address the knowledge and skills gap, MEPI focuses on critical issues such as supporting curriculum reform, teacher training, and community and private sector involvement in education. Creative local examples such as the Jordan Education Initiative are providing the basis for our new "Partnership Schools" model that emphasizes innovative solutions and technical expertise to enhance the quality of primary and secondary education. The Yemeni government has asked MEPI to assist in the development of its national strategy for secondary education. Increasing access to and improving the quality of education, particularly primary and secondary education, and especially for women and girls, is another MEPI priority. We are conducting teacher training and providing classroom materials for child-centered, early childhood education in Morocco, Tunisia, Oman, and Qatar, as well as funding the translation of eighty children's books and accompanying teacher's manuals for classroom libraries in Jordan, Bahrain, and Lebanon. We are demonstrating that grassroots reform works with the support of governments, the private sector, and communities.

When the G-8 countries and the trans-Atlantic community establish shared objectives and leverage resources and ongoing initiatives, we are better able to bolster reformers and make them more effective. Our efforts to support reform are one part of our broader policy toward the countries of the region. As the 9/11 Commission correctly noted, promoting reform in the Middle East is an essential element of the War on Terrorism. As new opportunities and personal freedoms grow for people across the region, we expect the appeal of terrorist groups and self-destructive extremist behavior will wane.

Public diplomacy is another strong building block in redefining relations with the people of the region. We are engaged in strong interagency efforts to do this. Under the leadership of Special Assistant to the President Elliott Abrams and Assistant Secretary Patricia Harrison, we have joined with other geographic bureaus at State and with other agencies in taking a fresh look at our Muslim Outreach and communication efforts in the Near East.

Educational and cultural exchange programs, including Fulbright, the International Visitors Program, youth exchanges and cultural programs remain a vital element of how others see us and encourage the development or a mutual understanding. We are bringing increased numbers of these exchanges to our most important posts in the region, and in cooperation with other elements of the Department and local institutions, our posts across the region are reaching new audiences through accessible state of the art information and programming centers called American Corners.

Increased broadcasting in Arabic and Farsi has enhanced our outreach since 9/11. Radio Sawa and Alhurra TV, as well as Radio Farda in Persian, have introduced programming geared to younger audiences. Radio Sawa reports that its listenership has grown and that its youthful audience finds its broadcasts credible. In addition to its attractive mix of music, Radio Sawa provides hourly newscasts relevant to the area and our foreign policy objectives.

Since Alhurra satellite TV was launched in February, surveys have shown significant development of viewership in Arab societies and in Iraq in particular. Additional viewer research is now underway. Alhurra's launch garnered a great deal of initially critical Arab press coverage, which was lumped together with sweeping criticisms of our Middle East policy. Now people are watching the station for themselves. I understand from the Broadcasting Board of Governors, which oversees the station, that the e-mail response from viewers quickly became strongly positive, many thanking Alhurra for objective reporting and balanced news coverage. The

BBG reports that a telephone survey of satellite television viewers in key countries in April found 29 percent had watched Alhurra in the previous week.

Our satellite network presence in the region competes with other Pan-Arab stations, such as Al-Jazeera and Al-Arabiya, both for the messages we deliver and the professionalism with which we deliver them. It is still early to judge the overall impact of Alhurra, but it is clearly reaching influential audiences. We support these stations by providing their correspondents with access to Department officials, including those in our own bureau, on a regular basis.

In cooperation with support of the Office of the Under Secretary for Public Diplomacy and Public Affairs and the Bureau of Educational and Cultural Affairs (ECA), our bureau and our Embassies and Consulates in the regions have also expanded exchanges and implemented new programs to reach younger and more diverse audiences under the Partnerships for Learning Initiative (P4L), one of ECA's strategic components in the War on Terrorism. This year, we will enroll 1,800 students in a new program of micro-scholarships to provide English language training for young non-elites.

Clearly, we support these recommendations of the 9/11 Commission. We have already addressed them in a variety of innovative ways, and will continue to do so, for there are no overnight solutions. With the support of the Congress, we expect to continue to reshape the relationship of the United States with the governments of the Middle East and North Africa, and with the world's Muslims.

I would be pleased to answer any questions that the Committee might have.

Mr. SMITH OF NEW JERSEY. Thank you for your testimony. Let me begin with a few questions. Let me begin with what I know that Ambassador Black would want to respond to.

The National Strategy for Combating Terrorism, which was released on February 14, 2004, looks an awful lot like what was finally produced by the 9-11 Commission, denying access or sanctuary for terrorists and all of the mutually reinforcing policies that are contained within it. I was struck by the sense that that might have been kind of like the blueprint for the blueprint, which is fine, the ideas being borrowed and we get the best possible strategy. I have a couple of questions.

Would the NID (National Intelligence Director) and the National Counterterrorism Center be responsible for developing a strategy to deny sanctuaries to terrorists or would the State Department take the lead in that effort? Are there any recommendations that you have looked at made by the Commission with which you don't agree, or are there some of those where you said, "This just wouldn't work"? If you could, touch on those as well.

And if I could, to some of our other witnesses—Mr. Swigert, are there any U.N. conventions against terrorist financing? I know there are U.N. conventions that work very effectively in other areas. We know there are on financing; are there any on travel?

The *9/11 Commission Report* made a very important point that terrorist travel documents are as important as weapons, and I wonder where we are in perhaps creating such a convention if one does not exist, or if there might be something we are not aware of.

Let me ask Secretary Wayne, who is responsible for terrorist financing policy in our Government, because there is Treasury and a whole group of people at Justice that have a share. Who actually leads when it comes to that issue?

To Secretary Harrison, I appreciated your testimony and the importance of public diplomacy in trying to mitigate these terrorist acts, more importantly winning over people to democracy and tolerance. The House Appropriations Committee passed its bill by the House. Congressman Frank Wolf, the Chairman of that Committee, provided \$65 million for radio and TV in Arabic for fiscal year

2005, a substantial boost. And I know it is separate, but the Broadcasting Board of Governors will get \$601 million, which is another substantial boost. And Chairman Wolf should be commended for grabbing this brass ring of public diplomacy and broadcasting and satellite television and the like and running with it so effectively, and we deeply appreciate that. Whatever you want to comment on as well.

Mr. Swigert, two questions. You heard perhaps earlier, if you were here when I asked the earlier panel, about the advisability of the OSCE model. And perhaps the OSCE itself—as you know, there are five Mediterranean partners now that are participating, and they are part of deliberations. I interface myself with many of these individuals, and it is about the only time I get to speak to some of those folks; and I think the more contact, the better. The more engagement, the better—whether or not this might be suitable.

Our hearing that we had on the 15th of June at which we heard from a number of individuals, including Ambassador Max Kampelman, was very insightful. And there may be glitches. There were glitches when the final act was being considered back in 1975, and many thought it was a sellout to the Soviet Union—that they would get everything—and it turned out to be a human rights, democracy-promoting document and process, more importantly.

And let me ask you about UNESCO. Chairman Leach was one of the leaders in ensuring that we rejoined UNESCO. It seems to me we are now paying some \$70 million into it. Does that provide a venue for the Middle East in this constructive engagement?

And finally, you mentioned in your testimony about the summit, the G-8 summit that was held just a few months ago. One of the things that struck me, while a lot of good, important initiatives were discussed there, microfinance and economic development, what seemed to be lacking to me was the importance of fundamental systemic change in the area of democracy, political parties, real elections, a fair and independent-minded judiciary.

And it seems to me very often with some countries of the world, we want to stand off on those issues. We have done it with the People's Republic of China for years, talking about economic engagement, but not necessarily that they need to have free and fair elections and things of that kind. Perhaps that is an oversight. Maybe it is a stepping process toward that, but maybe you want to comment on that, Mr. Swigert.

And Ambassador Black.

Mr. BLACK. If I could begin, I note here you are interested in my views of the NID and some proposals of the 9-11 Commission that I might not support as wholeheartedly as the others.

I personally support the concept of the National Intelligence Director. I think the idea is very sound. It is an individual that can pull together the various elements of the community to develop effective warning products and to take action. For me, the most novel aspect is to bring the domestic and the foreign intelligence essentially closer into context as one team.

This in no way affects the preeminence of the Secretary of State in the foreign policy arena. Having served in both capacities, in intelligence and foreign policy, I think the work will be very clear.

Intelligence is to collect information and to prevent terrorists from conducting actions against innocent people. It is the preserve of the Department of State to initiate, maintain and nurture foreign relationships. In these relationships, are various clearly-stated objectives under the strategy of the National Strategy for Combating Terrorism, essentially to defeat terrorist organizations, to deny them the ability to establish sanctuaries, to diminish the underlying conditions that terrorists seek to exploit, and through that, to defend the United States.

It is the State Department that creates and encourages the will of foreign countries to resist terrorism, and also the State Department as a foreign policy organization that assists in capacity building with those states that have the will but do not have the capacity.

And I take the last opportunity, Mr. Chairman, on this subject to state that I like to think I have some perspective in this area, having spent a 28-year career in the CIA, and have been very grateful in coming to the State Department. And I did this essentially for three reasons: One, to help to defend my country; two was to work for a man I admire greatly, the Secretary of State, Colin Powell; and third, a full appreciation as a practitioner of counter-terrorism overseas—the absolute, critical, unequivocal need for an effective, robust American foreign policy that supports and enables the practitioners, whether they be in the intelligence, law enforcement or military.

And in that vein, many of your previous speakers have said this, but I think the panel you had before you would underscore the importance of what it is we do at the State Department. It is crucial to enabling the others to do their job to protect the American people.

Lastly, the question you asked about what recommendations the 9–11 Commission—coming in the car this morning, listening to National Public Radio, I heard Senator Rockefeller essentially respond to the same question, and I essentially would like to encapsulate what he said. We have the greatest military on the planet. They operate effectively in what it is we task them to do. The proposal to subsume the paramilitary units of the Central Intelligence Agency into the military, I personally believe is a bad idea. The CIA has unique capabilities and unique strengths, I think, that should essentially be left intact and used in coordination with the military.

What is important here is effectiveness for the American people. I fear, unless there was very careful integration and nurturing of this very special capability, that it would turn the CIA paramilitary unit into essentially just another military unit and would lose its unique capability that it has currently under the Director of Central Intelligence.

Thank you, sir.

Mr. SWIGERT. If I might turn to the question of whether there is a necessity for a new legal convention on preventing the movement of terrorists, I just flipped through the 12 legal conventions related to terrorism. There is not a specific convention that I am aware of that relates to this issue. Resolution 1373, which is binding on all member-states of the United Nations states specifically that states, all states shall prevent the movement of terrorists or

terrorists groups by effective border controls and controls on the issuance of identity papers and identity documents and through measures for preventing counterfeiting, forgery or fraudulent use of identity papers and travel documents. So I think the issue here is not so much a lack of authority or lack of a binding requirement on all states. It is a question of compliance.

And as is often the case with Security Council resolutions in other questions that arise, and that is of enforcement. That is where we have tried working with our partners in the Security Council, working with other interested states in the U.N. system to build up this Counter-Terrorism Committee, to put a spotlight on what is going on in terms of states and their implementation of resolution 1373.

Now, the other—

Mr. SMITH OF NEW JERSEY. If I could interrupt you, wouldn't there be some value added to boost compliance if it were raised to the level of being a convention where member-states would have to accede and there would be more openness, and you know, those could be held to account by a panel of experts as opposed to resolution?

Mr. SWIGERT. I agree with you. There may be some utility in having another international convention, and that is an issue I will take back to look at with our experts.

I wanted to underscore the point, the authority is out there. All states are under the requirement to prevent the travel of terrorists or terrorist groups. The question now is, how can we get effective pressure on them to do so? We tried to work through this 1267 Committee in identifying al-Qaeda and al-Qaeda-linked groups in naming them and then publicizing those names throughout the U.N. system as one way to focus greater attention on who it is you must prevent travel by. And as I said earlier, that is an area where we are trying to do a better job.

There have been some reports that people have traveled, we have seen in the press, despite being listed by the 1267 Committee, and we diplomatically have engaged throughout our missions overseas to try to ensure that all countries take steps to implement those measures. And we have taken steps to ensure they are doing a better job than before on reporting on implementation of those measures.

I agree with you, that is an idea worth looking at, and I will get back to the Committee with a more concerted answer after I have had a chance to consult with others.

If I could turn to UNESCO perhaps, I agree with you that there are a lot of opportunities in UNESCO and we should be looking at UNESCO and return to UNESCO in light of the change in the international situation, the challenges on the war on terrorism, the need to engage in all organizations to try and prevent the emergence of terrorism. I mentioned this in my oral statement.

Perhaps if it would be useful to the Committee, I could mention some of the specifics that we have been pursuing. We now have an Ambassador, a very active Ambassador, Louise Oliver, in Paris representing us in UNESCO; and she has made it one of her priorities to pursue UNESCO programs and action that will stamp out, if

possible, educational systems that preach hatred against any other ethnic group, religion or whatever it may be.

There are specific actions that UNESCO has taken to date to engage in revising educational curricula. They have done this in Iraq. They have done it in Afghanistan. And we think that is a very effective way of making sure that you do not create an environment of hatred that could later lead to people training in the direction of extremism.

So we are very eager to use UNESCO and our new participation in UNESCO to address this problem and are very open to other suggestions on where we might focus our efforts.

Mr. SMITH OF NEW JERSEY. Before going to our next panelist, if there is a lesson to be learned, if we look at the textbooks that UNRWA has permitted to be used for the Palestinians—and I did an amendment on it not too long ago and spent hours going through textbooks that demonize Israel and carry very clear anti-Semitic references, you don't teach a generation of 8-, 9-, and 10-year-olds hate and then expect them to be accepting and tolerant when it is in the textbook. UNESCO could play a very leading role and I appreciate your thoughts on that. Thank you.

Mr. SWIGERT. On OSCE, I was going to turn to some of my colleagues for perhaps a reaction since I had experience working in the European bureau. And I think the concept is very interesting. I heard Max Kampelman's ideas on this. But as it pertains to a part of the world that is not my area of expertise, perhaps I could turn to Mr. Dibble.

Mr. DIBBLE. Certainly I think the principles are applicable in the Middle East; the idea that there should be a systematic, cooperative effort between the countries in the region and outside to achieve certain political objectives is an important one. But I think the beginnings of such an effort are contained in some of the communications from the Sea Island Summit and the initiative on the Broader Middle East and North Africa.

I think free and fair elections and democracy are what was on people's minds when they went into Sea Island and when they came out. I think the reason it may not be as specifically addressed in the communiques as we may want—I think there are a number of reasons for that.

First of all, it is clear from our own experience and what we have seen in Iraq that democracy is a messy prospect. It is hard to do if you are starting from scratch, as we are in Iraq, even under relatively good conditions as we are in Iraq.

Second, what we are looking for and what I think is important is that pressure for this kind of reform, not just reform but democratic reform, needs to come from the inside, from the population, from organizations within each country. That, in itself, is difficult because people do not necessarily see democracy as achieving what their immediate objectives might be, which are such things as education for their kids, employment for themselves, justice, lack of corruption, things like that, which are pretty concrete things.

How does democracy automatically get you those things? That message has to sink in first before we get specific about what happens next.

The final point I would make is that it is important to foster a diversity of views outside, within what we call "the opposition" in many of the countries in the region, because many people will argue that really there are only two choices, there is the regime, or the government, and there is extremist Islam; and those are the choices you have if you open us up now. There clearly needs to be more political space and more political organization and that takes time, but that is the direction where everybody intends to go, and for that reason, we do have a basis for cooperation.

Mr. SMITH OF NEW JERSEY. Mr. Secretary.

Mr. WAYNE. I would just add from my European experience, too, there is a lot that can be learned tremendously positive through the history of that organization (the OSCE) and the continuing work of that organization.

We also looked at the OECD as an organization on the economic cooperation side that we think shares some lessons. And they have a very interesting initiative they have just started working on, the whole investment area, working with the countries of the Middle East.

On your question of terrorist financing, we have a Policy Coordinating Committee that has been established under the auspices of the National Security Council. And we bring together there on a regular basis the intelligence and law enforcement communities, State, Treasury, Homeland Security, Justice and Defense. We sit together and look through strategic targets and look at the tactics and decide what look like the best kind of activities to take, what information is available. It is a process we have developed over the last 3 years that has brought this group of agencies and individuals in different Departments together and really forged a very good set of teamworking activities. And we continue to perfect it as we go along, but we have made a lot of forward-looking progress, again at making sure that we select the right set of tools to try to disrupt terrorist financing networks.

Mr. SMITH OF NEW JERSEY. That is chaired by whom?

Mr. WAYNE. Chaired under the auspices of the National Security Council.

Mr. SMITH OF NEW JERSEY. Is there a person where the buck stops at him or her?

Mr. WAYNE. We have made it work in parallel to the CSG that Frank Taylor and Cofer Black attend. So we have a synergy between the overall counterterrorism effort and the financial part, which is a subgroup of that broader effort.

Mr. SMITH OF NEW JERSEY. Secretary Harrison and Secretary Harty, you might want to comment on the public diplomacy thoughts, but the Commission does talk about significant improvements and gives, I think, a very encouraging read on what you are doing. We appreciate your testimony, especially your written submissions that elaborated on a number of specifics.

But have any of those individuals been reprimanded who may have processed earlier applications that had destination "Hotel USA" and things of that kind? I have looked at those myself, and with surprise at such a glaring omission, and even omission where foolish things were put into the area, where a more meaningful statement that could have been made—about the college you are

going to attend or where you are going to go—weren't there. It should have been caught. Has anyone been held to account on that?

Ms. HARTY. Sir, thank you for the question.

We have a system in place that requires every single visa applicant's name to be checked against the database. And if that is not done, then an officer is formally written up. And that has happened several times over the years.

But for the specific example of whether or not somebody failed to get more information on the destination, the hotel or what address they might be going to, I can't quantify that. Supervisors are to review issuances and refusals and supervisors will certainly make sure that people are doing the most assiduous work they can. But I can't quantify.

Mr. SMITH OF NEW JERSEY. For the record, could you provide us some amplification on what may or may not have happened to those who processed these applications?

[Supplemental written information received from Ms. Harty follows:]

RESPONSE RECEIVED IN WRITING FROM THE HONORABLE MAURA HARTY, ASSISTANT SECRETARY, BUREAU OF CONSULAR AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY AND VICE CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

Three separate investigative bodies examined the actions of the adjudicating officers who had issued the visas to the hijackers and determined that they had acted in conformance with Department policies, procedures and guidance that existed prior to September 11, 2001. The GAO Report of October 2002 entitled, "Border Security: Visa Process Should Be Strengthened as an Antiterrorism Tool," noted that "the consular officers believed that they had no basis for more carefully screening the hijackers' applications based on security concerns or for refusing them a visa." The Staff Report of the 9/11 Commission entitled, "9/11 and Terrorist Travel," also concluded that, "Ultimately, the individual officers who adjudicated visas for the 9/11 hijackers were following State Department policy." The State Department's Inspector General Report of December 2003 entitled, "Review of Department of State Procedures Related to the Issuance of Visas to the September 11, 2001, Terrorists," notes: "Based on an analysis of the facts, OIG's review concluded that the consular officers who issued visas to terrorist hijackers acted in accordance with policies that prevailed at their missions at the time the visas were issued and with published policies, practices, and procedures established by the Department."

In addition, Department records show that each officer had checked the visa lookout system as required prior to visa issuance. None of the hijackers were in the lookout system when the visas were issued. The visa lookout system was and remains one of our most important tools for ensuring that potential terrorists are flagged in the visa application process.

Given these determinations regarding the individual actions of the officers, we have focused our efforts on strengthening the visa process as a counterterrorism tool. In fact, we have made a top-to-bottom review of all consular operations, not just visa operations, since 9/11 with the aim of improving border security to deter and disrupt terrorist travel to the U.S. As a result of this on-going review and in response to specific recommendations of these reports, we have implemented a number of bold and innovative changes to consular operations and the visa process in particular. Among other things, we are greatly increasing the number of applicants subject to review, providing training in interviewing techniques and counterterrorism to adjudicating officers, imposing additional security clearance checks, and requiring more stringent collection of all pertinent data during the visa application process. The State Department's Border Security Program is an integral part of the U.S. government's overall efforts to protect our borders from those who do us harm.

Mr. SMITH OF NEW JERSEY. Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

And thank you all for your testimony. It is a little difficult to consume it all, because it would be the equivalent of three panels in a normal hearing. But there are a couple of key points I would like to ask.

You all were sent by the State Department today and you have presented a rather united and integrated presentation in response to the Commission's recommendations in this public forum. And my question is, how often do you collectively do this within the State Department?

Ms. HARRISON. If I may, I think we have a unique answer to this because of this Secretary of State. We meet every single morning at 8:30 with Secretary Powell and Deputy Secretary Richard Armitage. That meeting is a very real meeting in terms of his communication to us on the key issues. And, in fact, we go around the world as we go around the room.

And all of us, then, are not stovepiped; we have an opportunity. And that is why we really have, I think, in this State Department, a very collegial, important and practical working relationship because of the leadership of Secretary Powell.

As my colleagues have been saying, everything they do impacts what I do. There isn't a day that I don't talk in terms of visa issues or security or the Economic Bureau and down the line.

Mr. MENENDEZ. So you meet on a daily basis?

Ms. HARRISON. Every single morning.

Mr. MENENDEZ. Everyone who is here meets on a daily basis collectively.

Mr. BLACK. If I could conclude my view on this, I report directly to the Secretary, and Mr. Armitage, the Deputy Secretary. We have formalized meetings every day.

But I think, almost more importantly, we are interwoven very effectively. You have essentially a system here that works, rather than putting sort of all emphasis and all the power in one place, it is a process of utilizing U.S. diplomacy through the Embassies, international organizations. So we produce a number of different and sort of distinct areas, building capacity, doing diplomatic security, protecting Americans overseas. It is very dynamic. But I think the Secretary would tell you that our highest priority is counterterrorism. I think the people that you see before you spend a lot of their time—whether it is in consular business, diplomatic security or whatever—on the business of countering terrorists and protecting Americans.

Mr. MENENDEZ. That is good news.

Let me ask you specifically, Secretary Dibble, and maybe Ambassador Black as well. With reference to Saudi Arabia, the Commission's findings states that the United States and Saudi Arabia must determine if they can build a relationship that political leaders on both sides are prepared to publicly defend, a relationship about more than oil. It should include a shared commitment to political and economic reform as the Saudis make common cause with the outside world. That is the Commission's quote.

Many of us are concerned that the United States has traditionally treaded lightly on this issue, that the United States-Saudi relationship has long been based on a tacit understanding between the United States and the Saudis that we would refrain from inter-

fering and/or making suggestions or efforts in terms of Saudi domestic affairs in return for their cooperation on energy and in some security issues in the Persian Gulf.

In light of the Commission's report and statements and in view of their actions—which, until they were attacked, speak volumes of some of the difficulties we face. Where they, either through purposeful or lax oversight of financial support by official and nonofficial charities and individuals, provide massive support through radical Islamists and the creation of tens of thousands of Islamic madrassahs worldwide. I am wondering, when the Royal Family still blames, or senior members of the Royal Family still blame Zionists for the 9/11 attacks and terrorism, how effective are they really in this process, how real is this conversion to being helpful? How deep is it?

How do you respond to the Commission's call for a diplomacy with Saudi Arabia that is based on much more than the tacit understandings we have had before, and how does the State Department intend to pursue such a relationship?

Mr. BLACK. Who would like to go first?

Mr. MENENDEZ. Ambassador Black.

Mr. BLACK. Why don't I start, primarily from the counterterrorism aspect, and turn it over to my colleagues who are more knowledgeable in other aspects of this.

From my perspective, I became involved in January 2003. I have been to the Kingdom about every 3 months, to address mutual concerns we have about terrorism. And I can recall in hearings back then, that people were suspicious of the motivations of Saudi Arabia in terms of their commitment to the global war on terrorism.

And I can tell you that they have matured, that they are self-described as being in a war. They have lost something like 50 of their young men, police officers and soldiers on the streets, in shootouts with terrorists. Their efficiency and effectiveness has gone up tremendously.

I think even they would admit to you they are not where they would want to be right now. They have a very conservative society. They have a lot to address and overcome from the past.

But in terms of being a reliable partner in counterterrorism, they are exceptionally good. They know the situation that they are in, and we find ourselves in the same situation. And I see this relationship as just getting closer.

There are some events that do take place that we object to. We object to and take exception with any anti-Semitic remarks, any association outside the realm of reality; and it is complex, it is a complex political situation in the Kingdom.

There are various factors involved that need to be addressed for the long term. But I can speak for the short term. They are doing everything they can do, working around the clock. They are very dedicated.

We and the Government of Saudi Arabia are in this together. We have looked at nationalities of the hijackers that came to the United States. For both of us, there is no way out. We have to identify these terrorists, and we have to have them arrested, detained, or taken out of the picture so that they don't hurt our countrymen. I think there is a mutual appreciation of that from the counterter-

rorism standpoint. No doubt about it. The other aspects I will have to defer to my colleagues.

Mr. MENENDEZ. Before I turn to the Secretary on that—

Mr. BLACK. Yes, sir.

Mr. MENENDEZ. So you are telling the Committee that as of this point, in the context of counterterrorism, you are receiving all the cooperation, all the assistance that you want from the Saudi Government?

Mr. BLACK. Yes. I would never say all; we always want more. We are insatiable. If you are giving 100 percent, we want 110. In the counterterrorism business, you know, you can always get by with 1 hour less sleep.

Mr. MENENDEZ. What are they doing that you would like to see more?

Mr. BLACK. If I would make one comment about the Kingdom, they have very good people, working very hard. They are kind of like where America was not that long ago: Smaller number of people working around the clock, very good at their jobs, but not enough of them.

So the biggest issue in my mind with Saudi Arabia, they are in the process of training a sufficient number of counterterrorism practitioners in intelligence, the law enforcement field, to take care of what is a tremendous problem. They probably don't have enough people. We are helping them, and other countries are helping them with the training.

Mr. MENENDEZ. Thank you. Mr. Secretary.

Mr. DIBBLE. Thank you. With respect to the bilateral—the Commission's recommendation—I would say, first of all, the United States-Saudi relationship has always been based on more than oil. We had a strong military relationship dating back years. We have worked cooperatively on such issues as Middle East peace and other questions such as that.

I think the Saudi Government came late to the realization of the impact on its own direct concerns, its own security, of some of the activities of the charities with which it was either connected or allowing to operate.

The bombings in Riyadh in May 2003, I think, brought home to the Saudi Government what the implications were of allowing organizations like al-Haramain to operate, even abroad, that it had a price that they had to pay inside as well. And even as those events, those bombings, led to much stronger cooperation on specific counterterrorism, it has also led to a recognition that terrorist organizations within the Kingdom of Saudi Arabia came from someplace and they, the Saudi Government, needed to do something about it.

They have started to do that, I think, as I have detailed earlier, with respect to education and with respect to religious instruction. But as I am sure you realize, this is something that has built up over years, and it is going to take some time to break it down.

Mr. MENENDEZ. And so your response to the Commission's report is, you are wrong on that it has only been about oil, and it has been about a lot more than that, and we are doing what we can do. Is that what you are telling me?

Mr. DIBBLE. That is right.

Mr. MENENDEZ. Well, that is obviously not enough. If you are telling me that we are doing what we can do with Saudi Arabia, then you believe, the Department believes, that is sufficient? You believe that the Saudis are doing what they can do, you would tell that to the American people?

Mr. DIBBLE. I would like to echo what Ambassador Black said. It is never enough. It is never soon enough. It is never timely enough.

Mr. MENENDEZ. What would you specifically, beyond the issues that he dealt with, want to see Saudi Arabia do that they are not doing?

Mr. DIBBLE. I would like to see them accelerate the educational reform. I would like to see them clamp down harder on private charitable flows outside the Kingdom. Government flows, I think they have pretty good control. I would like to see further acceleration of some of the steps that the Crown Prince has taken. For example, the holding of municipal elections. This could have, for example, happened sooner. The institutionalization of what is an informal consultative mechanism, in other words, so that everybody can see that there is a political process in Saudi Arabia.

Those are the kinds of things that I think need to happen.

Mr. MENENDEZ. And finally, Mr. Chairman. On educational reform, clearly resources are not an issue in the Kingdom in that regard. If they just channel what they were giving to madrassahs to go ahead and do educational reform, we could accelerate the pace of educational reform inside the Kingdom.

You say the Government has a pretty good hold of its governmental contributions to these various entities. Well, the Kingdom is a relatively small universe in terms of where any significant private flows of money could go, and it is probably from members of the Kingdom's family. Is that not so?

Mr. DIBBLE. I would think so, yes.

Mr. MENENDEZ. So therefore, when we say that the Government as an official entity is controlling its flows, that is one thing. But where the Kingdom's family, the Royal Family, has obviously the greatest or most of the wealth of Saudi Arabia in its possession, then it can do a lot more about controlling its flows through private contributions.

Mr. DIBBLE. Well, we think so and we are pressing them to do that.

Mr. MENENDEZ. Yes.

Mr. SMITH OF NEW JERSEY. If the Congressman would yield just 1 second.

I would hope, Mr. Dibble, in addition to the reforms you talked about, Saudi Arabia continues to be a CPC country, a Country of Particular Concern, because of its ongoing religious repression. So I would hope that would be added to the list.

Chairman Leach.

Mr. LEACH. Thank you, Mr. Chairman.

First as kind of an aside, because the issue of UNESCO has been raised, I want to compliment the Administration.

We spent over a decade not being a member of UNESCO, one of the least responsible circumstances that I know of for one of the least dangerous international organizations ever developed. How to

leave it constructively is really of great interest, and this Administration has chosen to return to UNESCO, and I think that is quite proper.

I would also like to say on behalf of, I believe, the American people, the First Lady of the United States is the honorary Ambassador for UNESCO's Decade on Literacy. And I think that is an extraordinarily appropriate way to lead. And I think we all ought to respect that.

The other thing that I am listening to, Secretary Swigert, I want to comment on. Because it is kind of awkward for us, and yet it may interestingly have some pluses for the United States. Our perceived brooking of the United Nations has caused many other countries to suggest that they want to rely more on the United Nations, and this may have some dismaying implications from time to time. On the other hand, it may have implications that the United States can constructively lead with.

After all, we have a vested interest in expanding international law. We have a vested interest in seeking greater allegiance to international law, and to the degree that the U.N. is wisely led, this can be helpful to the United States.

And here I think I speak for virtually all of my colleagues in saying we have a great deal of respect and confidence in Ambassador Danforth. And so this gives us some prospect of helping to lead in modest kinds of ways to a better world.

Now, in a little more difficult set of theoretical notions, I would like to ask Ambassador Black—this is 8/19/04, which is almost 3 years from 9/11/01. Are we safer today?

Mr. BLACK. You know, that is the excellent question all of us think about. When my mother asks me the question, my answer to her is, "Yes, you are; you are all a lot safer."

Mr. LEACH. Where is she hiding?

Mr. BLACK. Undisclosed location.

When it comes to counterterrorism, I tell people I used to do counterterrorism before counterterrorism was cool. It was back in the beginning, and I have seen it come forward, and I can absolutely guarantee you that the procedures and the processes that have been put in place and the attention that has been devoted to it make us a lot safer.

And I think one of the reasons that we have not been struck is that we have combined enhanced capabilities in both offense, whether it is America on its own, but primarily the United States working with others. That is where the real success is. And if you look at numbers of terrorists arrested and detained and the like, you will find that the cutting edge in a lot of these activities are foreigners, not Americans; that we have been supporting their activities. That, blended in with more coordinated intelligence and a stronger defense here at home. So for a potential terrorist, the hurdles and sequence that they have to overcome, are harder, higher, and they are always changing and becoming more formidable. So the answer is yes.

The secondary answer is, unfortunately, which I would like to tell my mother, is that, no, we are not absolutely safe. This is an ongoing process. We have to keep at it. If you stop, sir, if you stop, then the probability of getting struck goes up geometrically.

You have to stay ahead of them, you have to keep on them. You have to give them no quarter. You have to stop them before they are able to circumvent these hurdles. So I think we are a lot better off, and we are on the right track, and I feel a lot better about it. That is not to say that we can't be struck, but we are a lot safer than we were before.

Mr. LEACH. I appreciate that, and I certainly hope you are right. The fact that I am not perfectly convinced is just a personal thing. But I think all of us hope you are correct.

Can you assess to the Committee, do you think there are more or fewer terrorists or sympathizers to terrorists, let us say, in relationship to the time period of 9/11 in the world environment?

Mr. BLACK. The al-Qaeda organization—clearly, we remain the most interested in—has been devastated as a result of international action against them. I mean, if you are interested, I can go into some statistics, but they are all very impressive. That is good news.

The bad news is that we don't have them all. Until we catch them all, we have a problem, although they are less efficient and they are increasingly defensive to overcome our efforts to catch them. That is all to the good news.

The challenge is that there are a significant number—comparatively, in terms of direct threat, I think—an increasing number of lower-skilled, more localized individuals that have been victimized by incitement and to other extents influenced by other factors: Economics and lack of education, other factors come into play.

So I think essentially the counterterrorism's picture is tending to change from one organization that we certainly are getting on top of. There are no absolutes in counterterrorism. If there is one of them left, you still have a problem and they can get through. But in the aggregate, that group is now being engaged.

Now we need to look at what is sort of positive, Mr. Chairman, about having a good distinguished group like this is that the fight increasingly will be taken on by the people that are represented by their functions at this table; you know, consular—international organizations, and efforts in public diplomacy will become increasingly important as we maintain the classical sort of counterterrorism press.

Mr. LEACH. Well, I appreciate that. And again I hope your perspective is correct. And I stress that "hopefulness." Although one of the things we have learned is that a free society and a sophisticated society is probably more vulnerable to terrorism than other societies, and perfect defense is difficult.

I would like to ask one final question to Ms. Rodley. One of the aspects of intelligence—and there is a lot of the 9/11/01 report that relates to how we structure intelligence—that in a time of war it is natural that a disproportionate level of Government decision-making goes to the Department of Defense.

In the nonwar setting or prewar setting, one would think in international relations the principal locus of decisionmaking would be the Department of State. One has a sense—and I cannot assert this with total confidence—but one has a sense that in the post-9/11 world, a disproportionate shift in intelligence emphasis was given to a small group of the Department of Defense that may have

been misled, and that there is a very strong feeling that the Department of State and the CIA have a better sense for the Muslim world than some that were advising DoD. And one has a sense that there is an overreliance on DoD and the kind of proxy intelligence gatherers that is in the ex-pat community from Iraq.

Is this a perspective that is shared by you, and does this have any implications for how intelligence is intended to be gathered under new arrangements that are on the table?

Ms. RODLEY. Thank you very much for that question. That is an important question and something that we have spent a lot of time thinking about and discussing. One of our key concerns in the Bureau of Intelligence and Research as anticipated in the process to talk about the details of intelligence community reform is the need to preserve competitive analysis, and I think this gets at this question.

The U.S. intelligence community has been structured for a long time around the concept of competitive analysis. Smart, dedicated people, in different places looking at the same sets of information, and sometimes coming to the same conclusion and sometimes coming to differing conclusions. And our concern is that any reforms that do take place not remove this essential feature that the intelligence community has. If anything, we would like to see this feature enhanced.

One of the things that the Bureau of Intelligence and Research is famous for is for having a relatively large number of dissenting views relative to our size. We think that in this way we add value to the intelligence community, to the community products to which we contribute. And so that is—that is where I would like to see a lot of the focus of the community reforms be placed.

Mr. SMITH OF NEW JERSEY. Will my friend yield briefly on that answer?

Mr. LEACH. Of course.

Mr. SMITH OF NEW JERSEY. Ms. Rodley, would you then suggest that DEA be brought in earlier—I asked the question of 9–11 Commission panelists about whether or not they ought to be sharing this information—because obviously drug financing is a major part of this effort?

I thank my friend for yielding.

Ms. RODLEY. If I understand your question, should DEA become part of the intelligence community?

Mr. SMITH OF NEW JERSEY. Yes.

Ms. RODLEY. I will have to consider that question because I really haven't thought about it. But I would say, more generally, that we support all of the efforts that the community is making right now to make sharing of intelligence easier, faster, and more routine.

The intelligence community is undergoing a huge cultural shift. We are moving away from the organizing principle of need to know—which is always how we thought about classified information—to need to share as the organizing principle, and that is a shift of tectonic proportions. So I think that sharing can be done, you know, without people necessarily being colocated, although in some cases colocation will be the right answer. But sharing can be done in a variety of ways.

[Supplemental written information received from Ms. Rodley follows:]

RESPONSE RECEIVED IN WRITING FROM CAROL A. RODLEY, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY AND VICE CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

Question:

Should DEA become part of the intelligence community?

Response:

The real issue for me is information sharing. The challenge for all of us is how to make it easier, faster, and more automatic to share: within the intelligence community; between the intelligence community and policy makers; between the intelligence community and law enforcement agencies. Unlike most members of the IC, DEA is a law enforcement agency with a very narrow and specific mission. DEA analysts in Washington already participate actively in intelligence community studies and assessments on narcotics-related topics. DEA has access to intelligence from other agencies and is welcome at intelligence community meetings. So it's not clear that DEA itself would benefit significantly from being made a formal member of the intelligence community. The argument has been made that the rest of the community would benefit from having greater access to DEA field reporting, as some portion of this might have implications broader than narcotics, for example, evidence of the financing of terrorism through trafficking in narcotics. That, however, could be done without adding DEA to the intelligence community.

Mr. LEACH. Well, just to return, I share agreement with your observations, although they have very little to do with the precise question, although I appreciate the observations. And I would also point out that, having had some experience with INR, that INR is an entity unto itself that has a client base, as you described earlier, but it derives a lot of its information from its clients; that is, posts in the field. And that is a very important function. And it means that if you were to weaken the State Department's Bureau, you would be really weakening the Government's capacity to develop intelligence in a credible way.

Now, likewise, at the Department of Defense, there are specific interrelationships with military forces abroad and with militaries of other governments abroad that provide ties that are very interesting and important. And I think it is a reason why the Department of Defense should have an intelligence capacity too. And at the same time, that you should have overriding coordination. And I personally like the way the 9/11 Report has cut the apple: As long as it is understood that institutions of our Government have specific ties that are based on those institutions, not simply that they have a body of people that happened to be interested in the subject.

It is the way the Department of State is structured, with information going down and coming up, that doesn't well deal in an outside Department of State environment. And that is why it is very critical that your particular Bureau be maintained in a very strong and powerful way, and why it is very critical that the Department of Defense has its own intelligence-gathering capabilities, and at the same time to keep, as Ambassador Black who comes from the CIA knows, the Central Intelligence Agency being at the crux of so much with its own gathering capacities and coordinating capacities. And so then the question becomes how you better coordinate all of this and how you better shift it down.

And anyone who has ever worked in one of these Departments—and I spent 5 years of my life in your institution—it always has struck me how much incredible information comes through, and yet there are so few people that can utilize this at any given point in time. And so how you focus it—and Ambassador Taylor has outlined some coordinating efforts within the Department, as Mrs. Harrison has—are very impressive and I think are interesting for the public to think through, of the nature of structured meetings and their import. It is good to know the Department is not asleep, and that is not a modest insignificance. It is of startling international concern.

In any regard, I want to thank all of you for your inputs, and I am appreciative of the perspectives that you have brought before us. Thank you, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Thank you very much, Chairman Leach.

Mr. Green—and I want to say I appreciate Mr. Sherman's courtesy in allowing Mr. Green to precede him. He has a flight to catch. I thank you very much.

Mr. GREEN. I thank the Chairman and my colleague, Mr. Pence.

I guess I just have one general two-part question. I would like to turn to any or all in the panel. The question is whether the State Department believes, as the 9–11 Commission evidently believes, that the United States should be concentrating its efforts on what some call Islamist terrorism or what some refer to as jihadist terrorism, or should we be combating terrorism as more broadly defined?

And then secondly, do you believe that the perception that a war against "Islamist terrorism" is in fact a war against Islam, that that perception can be overcome, that perception apparently a number of people share in different parts of the world? So again I would toss those out to any and all members.

Ms. HARRISON. May I just respond in terms of maybe an overarching view, and I think your point is so well taken. I have had so many conversations about this. But I think that the report very wisely says that this is more of a clash of specific societies rather than a war against Islam or a war between two civilizations.

And just to tee this up a bit, instead of Americans talking about what it is or what it isn't, Prime Minister Badawi of Malaysia, after meeting with President Bush and addressing the U.S. ASEAN Forum, said,

"I believe now more than ever, we need to find the moderate center to bridge the great divide that has been created between the Muslim world and the West."

Then he goes through a whole long list of things that need to be done. Now, if either you or I said them, it would sound extremely offensive, and I think it is all in who is communicating the idea.

I think as we move ahead—as the Secretary said on two tracks, to end the scourge of terrorism, but also to increase by working in partnership to build peace, prosperity, and democracy—we need Muslim voices. And we have to be able to accept that they are not going to be programmed like robots. They are not going to agree

with us on everything. But what we do share is that we have got to work together on behalf of the successor generation.

Thank you.

Mr. BLACK. If I could just add to that, sir. The business of counterterrorism is really countering terrorists. We don't care who they are either. I am a Catholic. The Irish Republican Army is my enemy. The essential core point is to protect men, women, and children. That is what this is all about. I am sure my colleagues will say the same thing.

Every day I have a significant number of senior foreign government officials and it is all about protecting innocent people. We have a great commonality. I think that we have to appreciate that we are against terrorism. It has really little to do with Islam. You look at the FARC in Columbia. You have the same problem.

I don't think we want to be in a position that when we certainly turn the corner on this, that we leave ourselves remote and distinct from other potential terrorist groups, whether they are from Africa or Latin America and the like.

The other point raised that I think was very, very important—at least has been very important to me—is the absolute requirement that moderates in countries that do have a significant number of terrorists stand up.

The United States cannot supplement the lack of will on the part of government officials, community leaders, religious leaders in a number of countries. You cannot do it. You cannot build enough hospitals or schools. We are doing a lot of this. But we can't replicate that.

So it is something that we are encouraging and I think our foreign partners are appreciative. You cannot have the quality of life by keeping silent. You have to confront it. You have to stand up for what is right, and I think we are entering an era where you will see increasing evidence of this because there is no alternative to it.

Mr. GREEN. So I take it what you are saying is that the perception can be overcome, but it is difficult and challenging?

Mr. BLACK. Yes, sir.

Mr. GREEN. Thank you. Thank you again, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Mr. Sherman.

Mr. SHERMAN. Thank you, Mr. Chairman.

Thank you for your comment on textbooks. I would hope that our Committee would take a look at the idea of authorizing billions of dollars so that we could provide textbooks to all the countries where al-Qaeda is gaining adherence, at least at the elementary school level. And we could judge whether countries really wanted to undermine that al-Qaeda technology by whether they accepted and used the textbooks and teacher manuals that we could provide. It is expensive, but the alternative is obviously far more expensive.

The Commission told us that our greatest failure was a failure of imagination. We can now imagine 9/11. But I think we have failed to imagine with sufficient vividness a nuclear weapon exploding in the United States. And we have done all too little to deal with North Korea and Iran as they develop nuclear weapons. In fact, as far as I can tell, our entire policy has been talking and begging, and the only success announced by the State Department is

that for a while we were able to force the North Koreans to hear us beg and to talk to us around a table shaped to our choosing, although now I believe they are not even willing to come to six-party talks where they can nod and weasel because we don't do anything.

North Korea is subject to economic pressure. We have been stingy in offering carrots. We have told them they shouldn't even ask for a nonaggression treaty. I am more interested in whether we get CVID—complete, verifiable, irreversible disarmament of their nuclear weapons—than whether we have signed a nonaggression treaty.

I know that clashes with the culture at the State Department. But you can't get North Korea to abandon its nuclear weapons program without sticks. They are dependent on the subsidies they get from China.

China doesn't want them to have nuclear weapons, they give those subsidies grudgingly. But China has decided that, all things being equal, from a purely Chinese perspective it is best to give those subsidies. And as long as those subsidies continue, North Korea will continue to develop nuclear weapons.

So, Secretary Wayne, have we communicated to the Chinese Government that they might lose the opportunity to send one more boatload of tennis shoes to the United States if they continue to subsidize the North Korean Government? I assume that has not been communicated but I would like you to verify that.

Mr. WAYNE. Well, I know we have, Mr. Congressman. I know we have had a lot of dialogue with the Chinese about this. I have not been participating in that dialogue, very honestly.

Mr. SHERMAN. If we are going to start sharing information, certainly we should share information with the Assistant Secretary of Economic and Business Affairs. And I assume, sir, that if we had told the Chinese that there might be an interruption of our trade relationship, you would know about it.

The Achilles' heel of North Korea is that they are dependent upon subsidies from China. The Achilles' heel of the United States is that we will not do anything that inconveniences American importers, and we will see that again as we talk about Iran.

Iran's Government has got to try to get along with the Iranian people. And one thing that we understand up here as politicians, that I don't think even politicians fully understand, is the importance of any regime bringing home the bacon in order to survive politically. And I think there must be a Halal equivalent of bringing home the bacon that the Iranian Government must do, and they have done it.

They have been able to convince their people, I think correctly, that the Iranian people will not pay the price in international economics just because their Government wants to develop nuclear weapons and perhaps smuggle them into American cities, where they could announce that they had them, and threaten us or blow them up depending on what faction controlled.

So the Iranian Government can go to its people—and has—and said, look, we got half a billion dollars of loans from the World Bank and the United States failed to stop it. And, frankly, didn't try very hard. And the Iran-Libya Sanctions Act worked effectively on Libya, even though Ghadafi has more control, even though he

was less subject to economic pressure because he has a much less demanding and much smaller population. But we have ignored the opportunity to use ILSA against Iran.

Halliburton, for example, is under criminal investigation by the Justice Department for doing business in Iran; but, correct me if I am wrong, the State Department has not imposed any sanctions on Halliburton. I see no correction. So Halliburton can do business in Iran. Iran-Libyan Sanctions Act doesn't apply.

Japan announced that a consortium of its oil companies was going to do \$2 billion of investment in Iranian oil fields. Now, they haven't actually disbursed the funds or made the investment. But you would think that they would have inquired—and it has been reported in the press that they have—and they have gotten a wink and a nod from our State Department.

Is it our plan to like fake out and slam the Japanese oil companies, or fake them out and not say anything and then have them invest in Iran and bar all trade between these major oil companies in the United States? Or have we, in effect by our silence, told the Japanese that the Iran-Libya Sanctions Act will not inconvenience them as they make these—or have we just not read the financial press to know that the Japanese are going to make these investments and have signed a contract?

Secretary Wayne, what is it? Are you going to ignore the congressional law, or are you going to fake out and slam the Japanese?

Mr. WAYNE. Congressman Sherman, we are very serious about carrying out the law.

Mr. SHERMAN. There are enough loopholes in it, you don't have to carry it out if you don't want to.

Mr. WAYNE. We are very serious about any reports that suggest the law may be violated.

With respect to the Azadegan arrangement—which is what you are referring to with the Japanese interested in reportedly investing—or Japanese companies in Iran, we have been raising this with the Japanese for several years. We have made it quite clear that we strongly oppose investing in Iran's petroleum sector.

Mr. SHERMAN. We know that we have proposed this. Secretary Wayne, go on record now. Are we going to do things that cost those Japanese companies hundreds of millions of dollars, or are we going to roll over? The Japanese have a right to know. This Congress has a right to know.

Mr. WAYNE. Congressman Sherman, we will carry out the law.

Mr. SHERMAN. In other words, you will weasel through. I mean, there are loopholes that would allow you to tell Congress that you have not criminally violated the United States law while still not imposing any significant sanctions on these Japanese companies. Or will you carry out the purposes and intent of the law or just live—or just scoot through the exceptions?

If you were an investor in one of those Japanese oil companies, would you care about the United States' response?

Mr. WAYNE. I would worry about the United States' response because the law which has been passed suggests that we are to indeed oppose any kind of sizeable investment in the Iranian oil and petroleum sector until it has addressed the concerns laid out in the law. The law also suggests that we are to work very closely to try

to build a coalition of countries that work with us to accomplish the goals of the law.

Mr. SHERMAN. Secretary Wayne, there is nobody in Japan that has believed us up until now. None of the Japanese investors, none of the Japanese companies—and I would suggest that they will not take us seriously until you are more specific in what actions we are going to take rather than the fact that I am sure we will talk and beg.

But let's move to an area that is completely under our control, something I brought up with you at the beginning of last year. I brought it up with the Secretary, with Secretary Powell, in this very room at the beginning of this year, and I brought it up with Ambassador Black at the beginning of this month. And that is the fact that the journey of 1,000 miles begins with the first step. And if the goal is to convince the Iranian people that they will pay an economic price for their Government's decision to build nuclear weapons, you would think it would start with the easiest thing for us to do, and that is stop imports from Iran.

I said earlier that our Achilles' heel is that we will do nothing to inconvenience American importers. Which do we need to do more, Secretary Wayne? Show the Iranian people that there will be an economic cost to their Government's pursuit of nuclear weapons, or eat Iranian caviar?

Mr. WAYNE. I think we are showing Iran, and we have for many years, that there is a significant cost to the policies they have been pursuing. As you know, Mr. Congressman, we have substantial sanctions on any economic dealings with Iran and any kind of commercial—

Mr. SHERMAN. Let me understand. They can send their carpets and commercial caviar to the United States. They need our markets for that. They are getting half a billion dollars from the World Bank, a lot of it tax money—a lot of it our tax money from our districts. They are getting \$2.5 billion of Japanese investment in their oil fields. You say we are doing a great job of putting economic pressure on them?

Mr. WAYNE. Congressman, as you know, there are a tremendous number of economic sanctions from the United States on Iraq. We continue to work. We continue to work closely, and we have regular dialogue with our allies around the world on a regular basis.

Mr. SHERMAN. Secretary—I have to interrupt you.

Mr. WAYNE. We keep a tremendous amount of pressure on the Iranians because of their bad behavior on terrorism and human rights—

Mr. SHERMAN. Your boss, the Secretary of State, said in this room that he was going to look at at least closing United States markets to these nonenergy imports from Iran. Carpets and caviar. It has been 6 months.

Was he just pacifying me or have you folks actually looked at it? Since you have had 6 months, what is your answer? Do we need to use this additional lever to signal the Iranian people that we are serious or do we need the caviar?

Mr. WAYNE. No, we have been looking at it. We are looking at it.

Mr. SHERMAN. You are still looking 6 months later.

Mr. WAYNE. We are preparing a reply to you, sir.
[Supplemental written information received from Mr. Wayne follows:]

RESPONSE RECEIVED IN WRITING FROM THE HONORABLE EARL ANTHONY WAYNE, ASSISTANT SECRETARY, BUREAU OF ECONOMIC AND BUSINESS AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE BRAD SHERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

No, we have been looking at it. Current U.S. sanctions on Iran prohibit trade in the vast majority of Iranian products. These sanctions do permit import of Iranian carpets and food products such as dried fruit, nuts, and caviar.

These goods largely come from cottage industries responsible for only a few percentage points of Iran's foreign trade (less than three percent for dried fruit, nuts, and caviar; less than three percent for carpets), but which are labor-intensive activities. While powerful middlemen are involved in all of these industries, the vast majority of the benefits flow to small producers. Prohibiting these imports would affect the powerless people of Iran, who are increasingly pro-U.S. Such sanctions would send a counter-productive message. Aside from alienating friendly segments of the population, it could prompt the Iranian government to block the import of U.S. medical and agricultural goods—thus hurting U.S. business—without having a significant impact on Iranian policy. The oil and petrochemical industry accounts for 85 percent of Iran's export earnings but employs comparatively few people.

Mr. SHERMAN. 6 months, and it is much longer than 6 months, 6 months since I asked the Secretary in this room, 15, 16 months since I asked you in this room; years since I sent the first letter to the State Department.

I would say that if the war on terrorism is being carried out that expeditiously in other aspects of the State Department, we are in big trouble.

I will yield back.

Mr. SMITH OF NEW JERSEY. The Chair recognizes Mr. Pence.

Mr. PENCE. Thank you, Mr. Chairman. I would like to thank this panel for candid responses to both the questions as well as your reaction to the *9/11 Commission Report*.

I must assume, Mr. Chairman—it was fairly easy to get parking at the State Department parking lot this morning. So I am very grateful that this August panel would all be here at once. Frankly, I am a bit overwhelmed by it.

But I will try to focus on an issue that I know people back in Indiana think a lot about. And I know we are in a war on terror, and I know our enemies are legion, but there is one in particular that comes to mind.

In the *9/11 Commission Report*, there was—and I am looking at the executive summary, page 11 in particular—some pretty tough words for State, pretty tough conclusions in the specific findings about the failure of diplomacy to either interdict or stop Osama bin Laden or the countries that were assisting him, and particularly—and I want to say this, Mr. Chairman, reflective of the fact that all these good people never get credit for what doesn't happen. But this is a pretty tough indictment, and I guess I am interested in what the lessons learned are and how they might bear on us actually reaching this individual in light of some of what has been said today.

Under the category of unsuccessful diplomacy, the 9–11 Commission essentially pointed to efforts by the U.S. Government to use diplomatic pressure to persuade the Taliban regime to stop being a sanctuary for al-Qaeda—I am quoting—but they all failed.

And then there were references to pressure on two successive Pakistani Governments to demand that the Taliban cease providing sanctuary for bin Laden, but—again quoting—they could not find a mix of incentives and pressures that would press Pakistan to reconsider its fundamental relationship with the Taliban.

Even a reference to the United Arab Emirates, the principal travel and financial outlets for the Taliban were—and the words of the summary here—achieved little before 9/11. Diplomatically.

In a very real sense it seems to me that diplomacy failed to permit us to get into the interior, to get to the individual of Osama bin Laden. Because I really believe in my heart that he is somewhere not within the jurisdiction of the military of the United States of America—and he is not likely to be in one of those jurisdictions soon—that it seems to me that it falls on your shoulders, in particular—no, let me say it differently.

I believe that diplomacy is the path to Osama bin Laden. I really believe with all my heart that it falls on your shoulders to clear that path, that we working with allies who are going to be able to bring him to justice or his deserved fate.

That being said, I guess my question to Ambassador Black, and also maybe to Ambassador Taylor—because I was very struck by your testimony about the Anti-Terrorism Assistance Training Program—What are your lessons learned from those failures from 1997 to September 11, 2001, failure of those Governments? Who had the ability to stop Osama bin Laden, to actually take action in the Anti-Terrorism Training Assistance Program, which seems to me to be a very commonsense idea, that we would be using American taxpayer resources to train our allies in the war on terror to do a more effective job in their own country in policing themselves.

Number one, my question being—my only two questions, Mr. Chairman.

Number one, what are the lessons learned, Ambassador Black?

Number two, in terms of implementing those lessons—and the ATA funded now, I think you said, 176 million for 2004—is that part of that strategy? And what other elements have we derived from those diplomatic failures leading up to 9/11?

Ambassador.

Mr. BLACK. Yes, sir, those are great questions, and I have to monitor myself. I could probably go on answering those points for a considerable amount of time. I would like to start, and then I will turn it over to Ambassador Taylor.

Diplomacy is the first among equals, I think, as you have pointed out. Without that, you are going to have a structure that becomes increasingly inefficient. But I think in all fairness, we are looking at different eras. We are looking at the past with the eyes of today.

I will tell you, Congressman, well, I can guarantee you that from 1993 to 1996 Osama bin Laden was walking around Khartoum. You know, you could have gone there with three policemen from the Atlanta police and cuffed him and brought him home to Atlanta.

The problem was that the United States Government, American law enforcement, had no paper, had no warrant for his arrest. The

United States Government was incapable under the law of taking any legal action against him.

It was diplomacy that actually pressured Osama bin Laden, identifying him as a result of intelligence, that he was at the very least a financier of terrorism; and it was American diplomacy that attempted to have him apprehended, yet certainly pressured him to leave Sudan, and he went to Afghanistan and the rest, unfortunately, is sort of history.

The Arab world, from 1997 to after 9/11, is one of real contrast. It could not at that time rest exclusively on diplomacy, because there was an unwillingness on a good part of foreign nations to accept there was even a threat. So a tremendous effort was made bilaterally and multilaterally. We had not been at it long enough to educate and sensitize other countries to the degree of threat.

Now if you cut to after 9/11: Very invigorated United States, American people behind this policy, support of Congress; an absolutely totally different world. Agencies well funded; policy aggressively enabling these agencies. So you have a completely different situation. I think diplomacy went up to the limits of its capability in that era and in that time where, frankly, there weren't a lot of people running around consumed with the threat of terrorism.

After 9/11, there is war on board, so diplomacy becomes more efficient, more effective and more important, as you have pointed out.

Again, Osama bin Laden increasingly—as a result of our pressure and our inability to legally render him to justice—positioned himself in a place that is very hard to get at. In an era that is racked with political problems and a country that is isolated, that was very hard for the United States to engage diplomatically.

There were no diplomatic relations established with the Taliban. We did not have an Embassy in Kabul, and yet we pressed on and tried to do that as effectively and efficiently as we could. I think I have hit the high points of your question, the antiterrorism assistance program, that we provide policy, oversight for that program, yet it is executed by Ambassador Taylor's unit of diplomatic security.

It is a key element in America's global war on terrorism, because it goes right to the heart of what we do in the State Department, which is encourage or create the will to fight terrorism, and then to help to build capacity in those countries that need help. And Ambassador Taylor's people conduct the training, provide the equipment, and I am sure he can give you numerous examples, and there are really some—and we should do a better job of advertising the successes and the positive impact that we make. But the people that he has trained are all over the planet and are doing good things, for example in Bali, and when the terrorists blew up the Marriott Hotel. Actually the counterterrorist teams being trained by Ambassador Taylor's diplomatic security literally went out of the classroom and went to the hotel, did the investigation, and were key to the contributors to catching these people. They are all over the planet.

It arguably may be—this is just one person talking—one of the most useful and cost-effective programs in terms of creating the capacity of foreigners to protect themselves, to defend innocent men,

women and children, and as a result of that, increased cooperation with the United States and, by extension, protecting our people.

But if I may, I will turn it over to Ambassador Taylor and see what he wishes to do.

Mr. TAYLOR. As normal in the policy direction, Ambassador Black has taken all of my thunder.

But I think, having sat in his chair for 18 months and being in that chair in 9/11, I think the beauty of the President's strategy on the war on terror is this whole notion of capacity building. Not just using our military capability or intelligence capability, finance, and those sorts of things, but to raise the level of capacity across the world to perform effective counterterrorism. And that is what ATA helps nations to do under the policy guidance of the coordinator for counterterrorism, and the results have been phenomenal.

People want this training; they want to be effective. We talk quite often—I spent 35 years in law enforcement—of the brotherhood of the badge. And when you look in the eye of cops who are trying to protect their societies, they don't really care about where it is coming from as long as it is world class and makes them effective. If it makes them effective in going after the people that threaten their society, they want more of it.

And it has been most effective in helping us to broaden the capacity to interdict terrorists around the world. And every time a Pakistani cop arrests an al-Qaeda member, that is one less al-Qaeda member that is going to come to our country and try to do something.

Mr. PENCE. Let me thank the panel again, Mr. Chairman, and thank you. And let me just ask the Ambassador, and Ambassador Taylor, \$176 million is a lot of money to me in Indiana; but it actually seems like a small amount of money, when you think about the leverage and the potential of equipping our partners in the war on terror.

I certainly appreciate being of assistance to the State Department as this program hopefully grows, using indigenous law enforcement and indigenous talent.

Let me close by saying to Ambassador Black, I last saw you in front of this panel, I think, a few days before you testified before the 9–11 Commission. I found your testimony then—as today—candid, compelling, and in the best tradition of public service and public accountability. I am grateful for your service and the service represented here today.

Mr. BLACK. For all of us, thank you very much.

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Pence.

Just to conclude with some final questions and any comments any of our panelists may want to provide. Again this will provide, I think, this Committee and the Congress, the House especially, with some very useful insight as we craft our legislative response to the 9–11 Commission in that ongoing effort to be as safe as we possibly can for Americans at home and abroad.

Let me just ask first, Secretary Harrison, from you. As we all know, you and your shop, as well as the 9–11 Commission, put a heavy emphasis on public diplomacy. One of the aspects that I have noticed for a long time is that some of our Ambassadors are not always as proactive or even reactive as they could be in telling

the story. We do not want spin meisters, we do not want spin doctors. We want honest presentation and to be done so aggressively.

What can be done to further that in terms of getting all of our—some Ambassadors are doing an exemplary job. Others are more laid back and less effective, as are their missions, because very often the role of the mission is set from the very top by the Ambassador.

Secondly, let me just ask you, Ambassador Taylor, how many DS agents are dedicated full-time, at least on paper, to visa and passport enforcement? One of the concerns all of us have had in the past is that many—I don't know how many, I would look to you to tell us—of those get called off those kinds of investigations for security details and other kinds of important matters, but it dilutes our ability to do what we have to do.

I would say to Secretary Rocca, one of the findings in the Commission was that—and I just would repeat it briefly. We heard again and again that the money for assistance—this is Afghanistan, of course—is allocated so rigidly that on the ground one United States agency cannot improvise or pitch in to help another agency even in small ways when a few thousand dollars would make a difference.

We know the Afghan Freedom Support Act sought to convey or empower or enable that kind of ability. What can be done? What is your recommendations on that?

Finally, maybe Ambassador Black might want to touch on this or anyone else—is there any consideration of reorganizing the security intelligence and law enforcement and/or the counterterrorism to respond to the 9–11 Commission recommendations? Will there be a reorganization? We all know reorganizations are very hard. We went through that. When we were doing rewrites back in the mid-1990s on just the State Department, whether it be USAID and all the other agencies; and that was a mammoth undertaking. It took years because there were interests and authorities and important functions that could get diminished if you didn't do it right. If you just moved the boxes around, what have you accomplished? But is that reorg something that is being actively looked at right now?

Secretary Harrison?

Ms. HARRISON. Yes, thank you very much. If I may just take a minute to respond, Mr. Chairman, to your question earlier in terms of Chairman Wolf, and really thank him so much, not only for his support of the strategic need to use broadcasts, but also for his interest in public diplomacy and really being the spearhead for the first advisory group in public diplomacy headed by Ambassador Djerian. Many of the recommendations in the September 11 report were foreshadowed by what Ambassador Djerian put in place and, in fact, went a long way in helping us to guide a lot of the things that we wanted to have to strengthen public diplomacy.

In terms of Ambassadors being engaged, one of the things I found out—and I have traveled a lot in this job, because I feel if you don't go, you really don't know beyond the brochure—is that you really have very different personalities and what our Ambassadors need in terms from us. It is the information, it is the speak-

ers, it is that constant contact, what they are doing and which we have not really publicized a great deal.

And they have—the majority of them are doing this, they are now moving beyond what I call the traditional Rolodex and going out and speaking to schools. If I can reference the former Under Secretary of Public Diplomacy and Public Affairs, Margaret Tutwiler, when she was Ambassador to Morocco, really set the stage for that kind of activity.

When I was in Islamabad, our Ambassador there would leave what is basically a fortress to get out and to interact with the community.

We are helping our Ambassadors through structures called American Corners, because as security is required, we also have to make sure that that security does not prevent us from connecting at a grassroots level. And I know that in terms of the Ambassadors that e-mail me directly, that I talk to, they want to do this; and I think perhaps we have to do a better job, giving them the materials, the speakers, the programs that will enable them to get out.

I am not a foreign service officer, but I just want to say right here that I have been amazed and impressed by the dedication and the bravery, especially within this environment that we are operating in now, of our foreign service officers and our Ambassadors.

Thank you.

Mr. TAYLOR. Thank you for the question, Mr. Chairman. I have 1,400 special agents, and any day any one of them could be involved, but the problem you refer to was one that I addressed very early on in my tenure as the Assistant Secretary.

After speaking to my good friend Maura Harty, we decided that visa fraud was a priority, and if it is a priority, you have to dedicate resources to it. I directed that a minimum—a minimum—of 129 DS special agents would be full-time available to do these and passport fraud. That does not account for the 400 I have overseas that work that on a day-to-day basis.

We have gotten rave reviews back from our U.S. attorneys about that commitment. Agents are available and working those cases. I think our arrest statistics demonstrate the results that come when you dedicate resources to that. And we will dedicate as much as we need within our own resources. But I think it is also important to point out the outreach that we have done with the FBI, with ICE, to leverage their capability and bring their capability to bear with our capability against this program; and I think it has had the kind of results we were looking for.

Mr. Chairman, if I might, you asked earlier about DEA, and I think we often get caught up in words about intelligence and information. I would like to use the term “information,” and every law enforcement agency in this country has information that can help us in the counterterrorism fight. Our challenge is, how do we get that information into the intelligence analysts in a way that protects the right of our citizens from exposure to their personal information being used in an inappropriate way? But DEA, State and local law enforcement all have very important information.

The challenge we face, and what TTIC has, I think, begun a very important process in doing, is to integrate information, not just intelligence, but all the information that we have that will allow us

to be more effective in spotting these things before they happen and taking action.

Thank you, Mr. Chairman.

Ms. ROCCA. Mr. Chairman, on the question of the AFSA money, we have used over \$300 million of it for the drawdown authority. I think the problem that the 9–11 Commission raised essentially has to do with the fact that in the field the language of AFSA—this is not a complaint about AFSA at all because I think we fixed the problem—but the money that comes from AFSA seems to be tied, or we interpret it as being tied, to a military-related endeavor, building roads, bridges, or drawdown authority.

So what we have happening now in the field to correct this problem is the Commanders Emergency Preparedness Fund. It is working very well to take care of exactly the problems that the Commission raised.

We are also working better. The country teams that are out in the PRTs that we now have, DoD, USAID and State Department, are working together to get the funding. We have been using the ESF for democracy, humanitarian and other non-military-related, and sometimes there have been constraints on USAID spending the money.

Now the country teams are working better, so we believe the flow is working better, but it is something we are keeping very close track of.

Mr. BLACK. Sir, in terms of potential reorganization, we have no plans to do that from a counterterrorism standpoint. But since our mission is to enable others, we are looking very closely at how your recommendations—vis-a-vis the *9/11 Commission Report*—play out. Because since our mission is to help them do their job, it will be very important to us to see the role of National Intelligence Director, how the intelligence community is formulated, how it interacts with Homeland Security. So essentially, from a counterterrorism standpoint, we would look to see how they are going to organize themselves, and then we will adjust of necessity so that we can help them to do their job.

Mr. SMITH. Thank you. Would anyone like to add anything before we conclude?

If not, I would like to thank you wholeheartedly for your very significant counsel and recommendations. There is an enormous wealth of talent sitting at that table. This is an historic hearing having so many people from such disparate walks, different Assistant Secretaries and the like, so we are very grateful. And it helps us to do our job better, so we are very deeply appreciative.

The hearing is adjourned.

[Whereupon, at 2:43 p.m., the Committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF IOWA

Thank you, Mr. Chairman.

As we all understand, the Congress has commenced an unprecedented series of hearings to review the findings of the National Commission on Terrorist Attacks Upon the United States (better known as the 9–11 Commission) and consider legislative recommendations for strengthening America's counterterrorism policy as well as reorganizing relevant national security institutions. Recent witnesses have included the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Acting Director of the Central Intelligence Agency.

Let me note at the outset that I believe the 9/11 Commission has performed an enormously important public service through its public and private hearings, as well as its impressive final report.

My concern, however, is that after all the analysis about what led to the tragedy of September 11 it appears we remain unable to describe with any specificity the nature of our enemy, why they attacked, and the character of the conflict currently being waged against the United States. The ancient Chinese strategist Sun Tzu wrote, "Know thy enemy and know yourself; in a hundred battles you will never be in peril." In this context, it is my view that as credible as the 9/11 report is, the failure to comprehensively assess the motives of those who conspired against us leaves a misleading impression that simply adopting the "process" recommendations of the Commission will substantially make a difference in our vulnerability to terrorism.

Rearranging the deck chairs may well be appropriate, but even with governmental restructuring America will still be in peril unless we are able to eliminate the conditions that gave rise to al Qaeda in the first instance. I believe the benefit of the doubt should be given to proposals to reorganize our intelligence agencies, but the big issue is how to deny al Qaeda legitimacy and hence support among the millions of disaffected Muslims throughout the world. Accomplishing that objective requires getting our policies right.

In this regard, the 9/11 report properly and presciently addresses a number of policy issues—from education of the young to public diplomacy, from sanctuary deprivation to democratic development, from social inequality to foreign assistance, from weapons of mass destruction (WMD) proliferation to terrorist financing. But as large as each of these issues is, in the eyes of the rest of the world the biggest issue is war and peace in the region—the Israeli-Palestinian dilemma and the U.S. occupation of Iraq.

The importance of resolving the Israeli-Palestinian standoff cannot be underestimated. We know from attitudinal surveys that Muslims do not generally dislike Americans nor do they despise American culture. Many have chosen to immigrate to the United States. They do not, however, trust our motives, especially as they are perceived to relate to oil, and they do not believe our government has either a judicious or compassionate understanding of Muslim sensitivities. They accept our unequivocal commitment to the viability of Israel but they object to approaches which lack understanding and respect for opposing perspectives. To win the war on terrorism we will have to convince Muslims throughout the world that we do, in fact, favor opportunity for all and the creation of just societies everywhere.

All Americans understand that our commitment to the state of Israel is bedrock and that there must be continuity of policy involving an obligation to lead in the search for peace. Unfortunately, critical opportunities have been lost in partial measure because Presidents were imperfectly skilled and in some cases wanted to

operate in relationship to timing they hoped to control rather than in relationship to circumstances and events in the region.

As we look back on the last 20 years, it is apparent that despite episodic bursts of attention, there has been a fundamental absence of diligence and political will applied at certain times to Middle East peace negotiations. For example, optimism surrounded the Oslo accord precipitated by this President's father. Yet the U.S. failed to follow through on a timely basis with the logical steps to create a long-term framework for peace. To his credit, President Clinton pressed at the end of his administration for a breakthrough agreement at Camp David, but Arafat turned his back on the most forthcoming peace proposal Israel has ever formally made, either because he couldn't say "yes" to peace or hadn't been provided enough incentives in the Arab world to seek agreement. The tragedy of Arafat was not that he had to accept every parameter of the proposal put forward by Prime Minister Barak, but that he refused to make a counteroffer, thereby destroying prospects for peace, implicitly thumbing his nose at Israel and the prestige of the American presidency.

The incoming Bush administration believed that President Clinton had naively attempted to negotiate on his time frame and had increased tension by seeking a resolution that was not ripe. My sense is that the Bush team was half right. President Clinton had pressed on his time frame but erred by being tardy instead of premature. If pressed four or five years earlier by the Clinton administration, an approach along the lines later offered by former Israeli Prime Minister Barak might have been more sympathetically received. And if the framework developed in early 2001 at the Egyptian town of Taba had been immediately thrust on the parties by the new Bush foreign policy team, which was initially well-received in the Arab world, quite possibly a breakthrough agreement could have been made immediately after the transfer of power from President Clinton to President Bush. But just as President Clinton was apparently reluctant to embrace his predecessor's foreign policy format, President Bush's foreign policy team appeared loath to follow through on last-minute Clinton administration efforts. Discontinuity became a hallmark of both administrations' transitions, the second perhaps being more understandable because the situation in the region had deteriorated so tragically in the 1990s and because the Bush team had so few weeks to work before the Barak-Sharon transition occurred in Israel, all at a time the new Bush administration had to cope with questions of governing legitimacy in the wake of the harrowing 2000 elections.

Then there is the issue of our intervention in Iraq. In governance, judgment to be good must be timely. In Iraq, where we are in increasing peril of becoming a magnet of instability rather than a force for stability, we must not hesitate. If the original rationale for intervention—to destroy Saddam's weapons of mass destruction—is now frail, we should hang our hat on the objective of bringing democracy to Iraq. Let's hold elections with dispatch and use the democratic transition as the reason for deep troop reductions. If we were wrong-headed to maintain some 5,000 troops in the country where 15 of the 19 9/11 terrorists came from—Saudi Arabia—in the 1990s after the Gulf War ended, thereby accentuating Muslim disenchantment with foreign troops in the shadow of Mecca, would it be any wiser for the United States to remain an occupying power in Iraq for years to come?

The 19th century has sometimes been referred to as the century of nationalism, as countries like Germany and Italy transformed from clusters of principalities to nation-states. In the 20th century the seminal geopolitical events turned on nationalism of other kinds, first the German adventurism of World War One and later in the century the fusing of nationalist sentiment with "isms" of hate—communism and Nazism. In the new century, the world appears to have again underestimated the power of nationalism. In Iraq, all of us are learning anew how close anarchist elements are trying to bring us to the Hobbesian jungle where life is nasty, brutish and short and how impressive, for good or ill, is the desire of ethnic and national groups to carve their own destiny, to make their own mistakes.

At risk of slighting the degree of seriousness involved, the experience of America in Vietnam and of the former Soviet Union in Afghanistan may have athletic correlations to Puerto Rico's victory over the U.S. in Olympic basketball. There are times and circumstances when the small can humble the big.

When I address college students on the subject of Iraq, I frequently refer to a set of books I read when I was in college—the Alexandria Quartet by Lawrence Durrell. In four separate books Durrell repeated the same story outline but described events from the perspective of each of the different participants. The reader came to understand that while events were the same, the perceptions were totally different. The moral for today is that positions that may seem reasonable from our perspective may be viewed very differently by a European, a Middle Easterner, an Asian or an African.

For the full story of Iraq to be understood, we need to appreciate how events are perceived through very different sets of eyes and very different sets of reasoning. At our best, American policymakers reason in a pragmatic, future-oriented manner. Much of the rest of the world, on the other hand, reasons more generally by historical analogy. Events centuries back play a definitively greater role in judgments made about policies today.

While aggressive action in Afghanistan has disrupted al Qaeda our overall policies in the world have won neither respectful allegiance from traditional allies nor converts from potential adversaries. Glimmers of optimism may be found in Afghanistan as well as Libya, but America faces today a hostility of attitudes unprecedented in our history. The foreign policy challenge isn't simply to do a better job of selling an American message; it involves showing a decent respect for the opinions of mankind and taking the views of others into account.

Iraq and the world may be better off without Saddam Hussein ensconced in power, but it is not necessarily true that our country and world are safer if the overthrow of one thug leads to the creation of millions of rebels with a cause.

Care, of course, has to be taken not to blame oneself for the capricious acts of others. Under no circumstances can we allow terrorism to be vindicated. It is an unacceptable technique to precipitate change, even if from someone's perspective change may appear justified.

One of the lessons 9/11 has taught is that we have to construct barriers to terrorism with actions undertaken abroad as well as at home. Unfortunately, another lesson is that no matter how technologically sophisticated it may be, a free society can not perfectly protect itself from anarchistic acts. America must not only take prudent steps to safeguard homeland security, but it must also embark on prudent steps to dry up the reasons disillusioned people lash out.

As we advocate individual rights, democracy, and free markets, no one anywhere should be allowed to doubt that the American ideal is one of justice.

PREPARED STATEMENT OF THE HONORABLE BRAD SHERMAN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA

I thank our acting Chairman and Ranking Member, the gentlemen from New Jersey, Chris Smith and Bob Menendez, for holding these hearings today. And I thank the two of the Commission's top staffers and everyone from the State Department for being here today.

While a reading of the press reports might give the impression that the Commission's recommendations focus almost exclusively on our government's organization charts, a reading of the Report shows otherwise. Chapter 12 contains recommendations as to what policy goals we need to pursue, which I believe are more important than their suggested improvements of organizational structure for pursuing them.

These Chapter 12 recommendations are of necessity more vague than those of Chapter 13. These are more a list of objectives than a clear blueprint. They include the need to deny sanctuary to terrorists, the need to fight a war of ideas in the Muslim world, increased efforts to prevent the proliferation of weapons of mass destruction, especially nuclear weapons and material. And the Commission stresses the need to use the economic power of the United States in the fight against terrorism. These efforts, I believe, will have a much greater impact on our national security and the safety of Americans than what will end up being in Porter Goss' new job description, or what boxes fit where in the organizational chart of the US government.

However clichéd the phrases, we need to ensure we are not fighting the last war, and we need to ensure we are not suffering from a "lack of imagination" about what our enemies will try to do in the future. Until 9/11, al Qaeda had never killed more than twenty Americans on a single day, and so we were unwilling to imagine that they could kill thousands. Now that we have seen terrorists conspiring successfully to kill thousands of Americans, we may be unable and unwilling to imagine something even more horrendous—nuclear weapons killing hundreds of thousands of Americans.

Over the past decade, the world has seen a breakout of nuclear weapons proliferation. In addition to our two allies on the South Asian subcontinent, two extremely hostile states have or are nearing the development of nuclear weapons—Iran and North Korea. As a result, other states, some friendly and some not, are more likely to consider the development of nuclear weapons. The possibility that terrorists or a state sponsor of terrorism will acquire and seek to use nuclear weapons against the US cannot be our next failure of imagination.

Our Terrorism, Nonproliferation and Human Rights Subcommittee has held hearings on the need to deny sanctuary to terrorist organizations, such as Taliban Afghanistan, which made the training of thousands of al Qaeda jihadists possible. I believe that even more important is the need to develop a strategy for confronting emerging nuclear threats, such as Iran, and also the need to secure nuclear material around the globe.

As I have said before, the greatest failure of our government—and therefore of both a Democratic and Republican administrations—is the failure to develop a coherent and effective policy against Iran. Tehran will have nuclear weapons, *if* we continue to do nothing. Elements of the Iranian regime harbor senior al Qaeda, and yet *we have* done nothing. Iran provided al Qaeda safe passage and assistance in making their way to and from Afghanistan, both before and after 9/11, and yet we have done nothing. Iranian agents have been implicated in attacks against Americans in the past, *and yet we have failed to act*. So I hope our witnesses from the State Department will tell us today what our government will do now to confront this regime before it is too late.

Finally, I want to commend the Commission for something that others have criticized: the supposed failure to suggest changes to our foreign policy designed to placate al Qaeda in the hopes they will *hate us less*. Even if the US abandoned its position and friends in the Middle East, we are still going to be their number one target, because we exemplify on a grand scale a culture which competes successfully with the Taliban ideology. The US cannot change in any way that would make us less of a target. We can only whet the terrorists' appetite. If we gave Bin Laden everything he *says* he wants, he will keep asking for more—until we agree that Taliban-style policies should prevail everywhere. There is no way for a country with a role and a profile like the United States to make itself inconspicuous. The U.S. needs to lead, not retreat, to defeat terrorism.

