Diplomacy and the War Against Terrorism

Ambassador J. Cofer Black, Coordinator for Counterterrorism
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Mr. Chairman, Senator Biden, Committee Members:

I appreciate your invitation to testify on the State Department's role in coordinating the non-military war against terrorism overseas. I also want to express thanks to you and members of the committee for recognizing the crucial role our embassies play in combating terrorism.

Mr. Chairman, while I will endeavor to avoid covering the same ground as Under Secretaries Grossman and Green in the previous panel, one cannot overemphasize the importance of our diplomatic efforts in the Global War on Terrorism. Terrorists and their organizations cannot be defeated through force of arms alone. As Secretary Powell has stated, diplomacy constitutes this nation's first line of defense and also one of our most potent offensive weapons in the war on terrorism.

Diplomacy is the instrument of power that builds political will and strengthens international cooperation. Through diplomatic exchanges we promote counterterrorism cooperation with friendly nations that serves our mutual interests. We build capacity that bolsters the capabilities of our allies. Diplomacy helps us take the war to the terrorists, to cut off the resources they need and depend upon to survive.

I want to make clear at the outset of my remarks that the State Department and our embassies and consulates abroad certainly are not alone in carrying out this important mission. The Departments of Justice, Treasury, Homeland Security, Defense, CIA and many other federal agencies have critical missions in this regard. However, as the lead foreign affairs agency, the Department of State -- through my office -- serves as the statutorily appointed coordinator and overall clearinghouse for the wide span of counterterrorism activities conducted overseas by the United States Government.

As you might imagine, the job of coordinating such a large interagency -- and international -- effort is a great challenge. It is a challenge because of the growth of counterterrorism initiatives and programs since 9/11. It is a challenge because of the evolving terrorist threat and the shifting international environment that, for example, is being affected today by Iraq's continued intransigence to disarm and its support of and potential future support for international terrorism. Finally, there

is the challenge of undertaking these expanded responsibilities in the face of limited resources.

In all of these efforts, our embassies and consulates play a critical role. Let me briefly describe our ongoing efforts in this context.

Embassy Activities

Since 9/11, we have methodically taken the battle against terrorism to the international front lines. Our ambassadors and the staff members of our embassies and consulates, drawn not just from State but also from other federal agencies, are serving us well. Over my career in international affairs and now being a part of that diplomatic front line, I have much admiration and respect for the men and women who serve at our missions overseas. In the face of especially grave threats today, they continue to serve with great professionalism and bravery. Indeed, they are the backbone to our overseas counterterrorist efforts. It is this “diplomatic readiness,” to use Secretary Powell’s phrase, that is vital to our ability to fight terrorism.

Our embassies are our direct conduits to the governments of other nations. They facilitate our efforts to disrupt terrorist networks and to apprehend terrorist individuals. The ambassador, his or her deputy, and other members of the country team, including representatives from other agencies, are all instrumental in developing and maintaining good working relations with the host country and pursuing our counterterrorism objectives.

It is an important function of my office and staff to support this front line effort. Since assuming the Coordinator's job three months ago, I have traveled to Russia, China, Japan, Israel, Jordan, Saudi Arabia, and the Tri-Border region of South America. In doing so, I can say unequivocally that our Chiefs of Mission and their country teams are invaluable resources. They are both leading and supporting our efforts to promote and achieve our counterterrorism agenda in their respective host countries and regions.

Our embassies also help to facilitate efforts to cut off support to terrorists through supporting our CT programs. Just a few days ago, my staff joined an interagency team that went to Manila to successfully assist the Government of the Philippines in adopting financial controls vital to denying terrorists access to funding and in so doing brought the Philippines into compliance with international standards. My staff and similar Washington-based interagency teams, joining our country teams overseas, are helping many other front-line states to evaluate their financial systems, identify vulnerabilities, and develop counterterrorism finance training programs.

Our embassies and consulates also provide critical information on terrorist organizations. Such information serves as the basis for our imposing legal and administrative sanctions against such organizations. The Secretary of State currently has designated 36 foreign terrorist organizations. Among other consequences of such designations, U.S. persons are prohibited from knowingly providing any designated organization with financial and other forms of material support. Working with the Departments of Treasury and Justice, and with other countries, the State Department has also designated more than 250 individuals and entities linked to terrorism under Executive Order 13324 and under applicable UN Security Council Resolutions, resulting in the worldwide seizure of more than $120 million.

Training

U.S. embassies and consulates also are working with us to train and equip frontline states to fight terrorists within and around their borders. Our Antiterrorism Assistance (ATA) program is providing training to 56 countries through 180

courses during FY 2003 and hopes to step up its training efforts in FY 2004. We are working with 37 countries through our Terrorist Interdiction Program (TIP) to evaluate, establish and improve border-monitoring capabilities.

These and other programs are described in further detail in an accompanying written statement to this testimony.

To diminish the underlying conditions that terrorists exploit, we are coordinating our assistance programs to dovetail them with our counterterrorism interests. My staff recently met with AID officials to discuss ways to deepen this coordination. Our public affairs programs actively disseminate information overseas that accurately portrays our policies and promotes our democratic values. Our embassies play a vital role here as well, advising us on our international assistance programs and actively fostering greater understanding of the United States through a wide spectrum of public affairs and exchange programs.

While these are successes, you have also asked me to comment on the obstacles we face and ways in which they have been or can be overcome.

Obstacles

Quite frankly, one of the biggest challenges is connecting the resources to our operational and program needs in a timely and effective manner. While we are deeply grateful for the support that the Congress has provided to our counterterrorism programs, delays in the enactment of appropriations have repercussions on our operations. I would defer to the Department's budget specialists on proposing a solution. However, clearly, there are difficulties that arise from having only a half-year to utilize funds for programs that were originally intended to expend such funding over a full year period.

The Administration is also reviewing the requirement in current law regarding designations of terrorist organizations and individuals every 2 years. Under a law first enacted in 1996, the designation of a Foreign Terrorist Organization (FTO) expires after two years unless renewed, even if there is little or no change in the activities of these designated groups. This year, 29 groups are up for redesignation. The task of drafting new administrative records every two years to support a determination to redesignate FTOs is labor intensive and unnecessary in most cases. Resources needed for redesignations could be better used for other important counterterrorism duties, including monitoring and designating new groups as appropriate. We are preparing draft legislation to amend the FTO statute and make it less administratively onerous.

Overseas, we face a number of obstacles. We have scored some notable recent successes, including the March 1 arrest by Pakistani authorities of Khalid Shaikh Mohammed, a ranking al-Qaida leader, through close cooperation and coordination with Pakistani authorities. However, al-Qaida and other terrorist networks continue to pose a grave threat to the United States and our allies. There are no easy solutions. In addition to our ongoing real-time operations, we must continue to provide frontline countries the training and assistance needed to support their counterterrorism efforts. Your continued support for our capacity-building programs will help. While the dividends of such investment may not be immediately apparent, we must think of our global war on terrorism as a long-term fight that may take years or, indeed, decades, as was the case with the Cold War.

Research and Development

We must also continue our counterterrorism R&D efforts. On this, I'd like to especially mention the work of the interagency Technical Support Working Group (TSWG), led by my office, that is developing new technologies to protect

us against terrorist attacks. I am holding up two TSWG products of direct relevance to this Congress. The “Quick 2000" mask is the one distributed to Members and staff. The TSWG guided its development. Another product of this R&D group is a specially designed card that will alert the wearer to the presence of radioactive materials.

Mr. Chairman, let me conclude by saying that the key to fighting terrorism is sustained effort. That can be achieved only through sustained resources. It is not just al-Qaida that threatens our citizens and interests but other terrorist organizations and their supporters, including state sponsors of terrorism. To defeat this threat requires our full attention both here in Washington and abroad. To win, your continued support to our embassies and the interagency community involved in fighting terrorism is vital.

STATE DEPARTMENT COUNTERTERRORISM PROGRAMS

Terrorist Finance Programs. This is a core function of S/CT. We seek to interrupt and deny the flow of funds going to terrorists and their operations and to strengthen the financial and regulatory sectors of vulnerable coalition partners against manipulation and penetration by the financiers of terror.

The groundwork for our counterterrorism finance offensive was actually laid many years before 9/11, with provisions that the State Department proposed and the Congress enacted as part of the Antiterrorism and Effective Death Penalty Act of 1996. The Act authorizes the Secretary of State, in consultation with the Attorney General and the Secretary of Treasury, to designate Foreign Terrorist Organizations (FTOs). Among other provisions, the Act prohibits U.S. persons and persons subject to the jurisdiction of the United States from knowingly providing material support or resources to an FTO, or attempt or conspire to do so. Among other consequences of a designation, any financial institution that becomes aware that it has possession of or control over funds of a designated FTO must retain possession of or control over the funds and report the funds to the Treasury Department’s Office of the Foreign Assets Control (OFAC). Currently 36 groups are designated.

Following September 11, the President signed Executive Order 13224, which requires U.S. persons to freeze the assets of individuals and entities designated under this E.O. for their support of terrorism. There are currently over 250 individuals and entities designated under E.O. 13224. The White House also established an interagency mechanism to coordinate terrorist financing policy among USG agencies.

Each embassy has identified a Terrorism Finance Coordination Officer to lead the effort to work with the host governments to detect, disrupt, and deter terrorist financing. Internationally, the UN has also stepped up its own efforts in the area of fighting terrorist financing in a major way following September 11, requiring countries to freeze the assets of those included in its consolidated list of entities and individuals with ties to al-Qaida and the Taliban. This list continues to expand as countries join us in submitting new names of individuals and entities linked to al-Qaida to the UN. So far, USG and coalition freezing actions have netted over $120 million in assets of persons or entities with ties to terrorist networks, and in many cases to al-Qaida.

We are working with the Financial Action Task Force (FATF) -- a 31-member organization that sets international standards to combat money laundering and more recently to combat terrorist financing. Last month, the FATF elaborated on two of its earlier recommendations on terrorist financing to make the use of cross-border wire transfers and alternative remittance systems (such as *hawalas*) more transparent, and less subject to exploitation by terrorist groups. On the bilateral front, interagency teams led by the State Department are traveling to states critical to our counterterrorism efforts to evaluate their financial systems, identify vulnerabilities, and develop and implement comprehensive counterterrorism financing training and technical assistance programs.

CT Finance Capacity Building programs are coordinated by S/CT and administered through State/INL (The Bureau of International Narcotics and Law Enforcement Affairs) and counterpart entities at the Departments of Justice, Treasury, and Homeland Security. These programs are aimed at providing front-line states with technical assistance in drafting anti-terrorist financing legislation, and training for bank regulators, investigators, and prosecutors to identify and combat financial crime, particularly terrorist financing.

(For FY 2004, the budget request includes $3.5 million.)

Antiterrorism Training Assistance (ATA). This program was among the first specific counterterrorism programs funded at State, first authorized in late 1983. It continues to serve as the primary provider of U.S. Government antiterrorism training and equipment to the law enforcement agencies of friendly countries needing assistance in the war against terrorism. S/CT provides policy guidance and funding to the Bureau of Diplomatic Security Office of Antiterrorism Assistance, which implements the program.

The program provides a wide range of courses to strengthen the capacities of recipient countries. The training includes traditional courses such as hostage negotiations, bomb detection, and airport security. In recent years, ATA has developed new courses for countering terrorism financing and defeating cyber-terrorism. It also has provided a series of seven seminars to help other countries strengthen their counterterrorism legislation. The Department works of course with the US embassy officers, especially the Regional Security Officers, in developing the training package to meet the recipient country's needs. In FY 2003, we are scheduling 180 courses for 56 countries.

(For FY 2004, the Department is requesting $106.4 million to meet the program's growing requirements in the NADR account of the Foreign Appropriations Bill. Of this amount, $19.4 million is specifically requested for programs in Afghanistan, Pakistan, and Indonesia.)

CT R&D. The State Department, through S/CT, co-chairs the inter-agency Technical Support Work Group (TSWG) that rapidly develops and prototypes counterterrorism technologies to provide protections against terrorist attacks. For example, the "Quick 2000" masks that have been distributed to members of Congress and staff were evaluated, modified, and improved based on a testing protocol developed by the TSWG.

This has been a very successful and important program. S/CT provides policy oversight, managerial direction, and helps provide core funding. The Defense Department executes the program, and provides technical oversight for the program and contributes the larger share of the funding. Recently, the State Department reached agreement with the new Department of Homeland Security to facilitate DHS participation in the TSWG and to contribute funding.

S/CT has been able to leverage the relatively small State Department contribution to develop matching contributions and joint research with international partners in Britain, Canada, and Israel. (FY 2004 request: $1.8 million.)

Terrorist Interdiction Program (TIP). TIP aims at bolstering the border security of countries at a high risk of terrorist transit. Through this program, priority countries are provided a sophisticated database system and related support that identifies and tracks suspected terrorists as they enter and exit these countries. The program uses a sophisticated data base system with high-speed connections to airports or border crossing points. The program provides computer hardware, database software and training, and is currently being deployed in five countries and is scheduled for deployment in 12 more countries this calendar year. Arrests and detentions have occurred in all five countries where the system has

been deployed.

(FY 2004 request: $11 million for installations in up to 12 new countries and continued work and maintenance on previous installations.)

CT Senior Policy Workshops. These workshops aim at improving the capability of participating countries to effectively respond to Weapons of Mass Destruction and other forms of terrorist attack. The objective is to increase senior host nation officials' awareness of the complexities of preventing and effectively mitigating a major terrorist attack. Ten workshops are planned for FY '04, with three in Greece to help preparations for the 2004 Olympics.

While the focus of these workshops is to effectively respond to WMD terrorist incidents overseas, some are customized to address host government needs based on their perceived threat. For example, workshops were used in the Caspian Sea as the first phase of the Training and Assistance offered to Azerbaijan, Georgia, and Turkey to further facilitate the success of the Baku-Tbilisi-Ceyhan Gas and Oil Pipeline in responding to energy threats. In partnership with the Department of Energy, we are currently conducting Workshops in Central Asia (Kazakhstan) in response to their energy security threats and to effectively respond to nuclear materials discovered following the break-up of the Soviet Union.

(FY 2004 request: $2.5 million in NADR funds to conduct 10 Workshops.)

Foreign Emergency Support Team (FEST). As the lead Federal agency to respond to an international terrorist-related crisis, the Department of State heads the FEST. The FEST provides a specially trained and equipped interagency team to assist the U.S. ambassador and a host government in dealing with a terrorist incident. The team can provide advice, assistance, and assessments for the embassy on a variety of terrorism-related issues. The composition of the FEST varies, depending on the nature of the incident (such as a hostage situation, an embassy bombing, or a chemical, biological, radiological, or nuclear (CBRN) incident). The team is led by a senior State Department officer and includes additional State Department personnel, such as operations officers, communications experts, and diplomatic security agents.

A dedicated aircraft, which is specially configured and carries up to 55 persons, is operated by the Department of Defense and is on a four-hour standby. Smaller teams can be deployed by other means as required.

(No program increases are requested in the FY '04 request.)

Exercises, TOPOFF. The Department of State plans and coordinates the international dimension of the domestic (U.S.) Top Officials exercise (TOPOFF). This series of exercises was designed to test and improve the nation's domestic readiness for responding to terrorist incidents involving Chemical, Biological, Radiological, and Nuclear (CBRN) agents or devices. The current TOPOFF exercise, TOPOFF 2, is co-sponsored by the Department of States and the Department of Homeland Security. It is a series of events that started in the spring of 2002 and culminates with the full-scale exercise in May 2003. TOPOFF 2 involves active participation by the Government of Canada in all aspects of the exercise.

S/CT also takes part in two or three Theater Commander's Counterterrorism exercises each year. These full-scale exercises require a year of preparation and normally include representatives from the various agencies that participate in the FEST. The exercises ensure continued inter-operability and provide an opportunity to improve capabilities. S/CT leads the interagency effort and participates in all the planning activities. Most of the scenarios are complex and include such serious threats as chemical, biological, nuclear and cyber terrorism.

(No program increases are requestd in the FY '04 request.)

Rewards for Justice Program. The State Department's Rewards for Justice program is an important tool for helping deter terrorist attacks and apprehend suspects. In general, this program offers rewards of up to $5 million for information leading to an arrest or conviction of any individual for conspiring, aiding, abetting, or committing an act of international terrorism against U.S. persons or property or the prevention, frustration, or favorable resolution thereof. With respect to Usama bin Laden and other key al-Qaida leaders, however, the Secretary has authorized a reward of up to $25 million.

(The FY 04 budget does not include program increases, but there is an $11 million carryover from a previous Supplemental that can be used for the rewards program for terrorism, war criminal and war criminal cases).

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