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COUNTERTERRORISM

HEARING

BEFORE THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

SPECIAL HEARING

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COUNTERTERRORISM

TUESDAY, MAY 13, 1997

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The committee met at 1:58 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Specter, Burns, Shelby, Gregg, Bennett, Campbell, Craig, Hollings, and Reid.

DEPARTMENT OF JUSTICE

OFFICE OF THE ATTORNEY GENERAL

STATEMENT OF JANET RENO, ATTORNEY GENERAL

OPENING STATEMENT OF HON. TED STEVENS

Chairman STEVENS. We will break a record and start our hearing early for a change. Thank you all for coming.

The incident 3 weeks ago at the world headquarters of the Jewish organization B'nai B'rith right here in Washington, DC, and the protracted siege of the residence of the Japanese Ambassador in Lima, Peru, are troubling signs that extremists are prepared to take American lives to advance their purposes. We have had a series of events in our own country that we all know about, the World Trade Center bombing, the Oklahoma City bombing, we have also had overseas activity such as the Khobar Towers incident. We could go on with a long list. What we have, however, is an issue that has tremendous impact here at home, and we believe that Americans are starting to feel vulnerable, not just from what is going on around the world but right here in the United States.

In the context of these tragedies, which we are all too familiar with, our committee is concerned that we do not have an adequate comprehensive strategy when combating domestic and international terrorism. Senator Gregg has requested that we hold this hearing today. We want to ensure that our efforts are given the highest priority; that they are coordinated with the many participating domestic agencies and foreign governments, both in terms of planning and resources, and we would like to be able to move forward with you to help come to grips with this very critical issue in our country.

We want to provide the funding that is necessary to combat terrorism, and we appreciate your coming here to be with us today.

Do you have an opening statement, Sir?

STATEMENT OF HON. JUDD GREGG

Senator GREGG. I would just like to thank the chairman for initiating this hearing. It is, I think, an important hearing. What we need to address is how we are anticipating potential terrorist events and whether or not we have adequate coordination between the various agencies. There are an awful lot of them that are involved in protecting this country from terrorist action. I believe that this committee has the unique capacity to bring all these agencies together, having oversight over all of them from the appropriations standpoint, and, therefore, I appreciate the chairman's being willing to hold this hearing.

Chairman STEVENS. Madam Attorney General, Director Freeh, and Director Tenet, we are pleased to have you here. We are going to open this hearing in a public session, and then we would ask that you go with us to a classified area later to talk about some things that we would like to make sure of before we handle the appropriations bills this year. We would be pleased to have your statement.

SUMMARY STATEMENT OF JANET RENO

Ms. RENO. Thank you, Mr. Chairman and Senator Gregg. We very much appreciate this opportunity, and it is my privilege to be here before you today for the purpose of discussing with you our efforts to combat terrorism. The protection of our Nation and its people from acts of terrorism is a matter of the highest priority. American citizens and interests, both at home and abroad, are targets of choice of international terrorists. Further, the risk of terrorism within our borders does not result solely from grievances imported from overseas as, increasingly, acts of terrorism are perpetrated by disaffected citizens.

Whatever the origin or misguided motivation of the particular terrorist, the potential consequences of a single incident can be enormous. We must never forget the magnitude of human suffering that flows from acts such as Pan Am 103 and the World Trade Center. As weapons of mass destruction become more accessible, we face the potential of even more catastrophic acts.

The challenge that terrorism presents to a free society is that we must endeavor to hone our skills and techniques sharply enough to prevent terrorist acts while respecting the individual rights and liberties for which this Nation stands. We have made much progress in the past several years, successfully preventing a number of potentially deadly terrorist attacks at home and abroad. We have demonstrated that our commitment is unflagging and our memory is very long. But more work needs to be done.

ADMINISTRATION'S STRATEGY

The administration's comprehensive strategy for meeting the challenges presented by terrorism is detailed in the report that I submitted to you earlier this month. The framework for that strategy is contained in the Presidential decision directive 39, dated June 21, 1995. The PDD seeks to integrate roles of pertinent Federal agencies in a comprehensive, proactive program to prevent and to punish terrorist acts.

The policy of our Government in dealing with acts of terrorism, both at home and abroad, is straightforward. First, we seek to reduce the vulnerabilities at home and abroad. We will do everything possible to deter and prevent terrorist acts. When acts of terrorism do occur, we will respond quickly and decisively with the full range of options that we have available, including apprehension and prosecution. We will develop an effective capability to detect, prevent, defeat, and manage consequences of nuclear, biological, and chemical material and weapons used by terrorists.

OBJECTIVES

Let me explain briefly some of the means by which we seek to accomplish these objectives. We seek to reduce our vulnerabilities to terrorist attack, both at home and abroad, by assessing the risk that terrorism poses and by taking steps designed to prevent or minimize such risk. For example, the FBI's new counterterrorism center is staffed with representatives of 17 different agencies. With the integration of the capabilities of these agencies, the FBI can now conduct real time analysis and processing of information with the goal of detecting and preventing acts of terrorism.

Additionally, a Presidential Commission on Critical Infrastructure Protection has been created. It brings together key representatives from both Government and the private sector to assess vulnerabilities and to propose comprehensive national policies and strategies. As part of this effort, an information protection task force has been created. It is a multiagency effort to identify and coordinate existing expertise and capability in the Government and the private sector relative to critical infrastructure protection. Consistent with that effort, the FBI has established a Computer Investigations and Infrastructure Threat Assessment Center.

The development of effective coordination among counterterrorism agencies is a critical aspect of preparation. PDD–39 facilitates such coordination by delineating the appropriate roles of Federal counterterrorism agencies. Similarly, the FBI has created 14 joint terrorism task forces which integrate Federal, State, and local law enforcement authorities in particular localities. Further plans are underway to involve State and local authorities in the FBI's new counterterrorism center.

Moreover, I have directed that the FBI implement a comprehensive effort to coordinate with State and local law enforcement, owners and operators of critical infrastructure, and State and local emergency managers to identify potentially vulnerable facilities, critical infrastructures, and special events, and to collaborate with these officials to develop plans to prevent and respond to terrorist attacks. I have asked that clear lines of communication be established so that relevant information can be quickly and accurately exchanged among these individuals.

INTERNATIONAL COOPERATION

U.S. coordination also includes bilateral and multilateral consultations and cooperation with foreign governments that share our objectives in countering terrorism. Under the leadership of the State Department we are working closely within the context of the P–8, recently renamed the eight, to improve coordination and to de-

velop tangible measures to assist in terrorism prevention and response.

TRAINING STRATEGY

Training is also a key element of the U.S. strategy to reduce this Nation's vulnerability to terrorism, since an effective response to a terrorist threat requires multiple agencies to interrelate smoothly under extreme pressure. Federal agencies involved in responding to acts of terrorism regularly engage in realistic training exercises which recognize the important role of State and local agencies.

Additionally, six Federal agencies, the FBI, the Department of Defense, FEMA, the EPA, the Public Health Service, and the Department of Energy are working cooperatively to provide weapons of mass destruction training to State and local emergency responders. This initiative will train emergency responders in 120 cities throughout the United States, with the initial 9 cities to receive training before the end of the fiscal year.

PREVENTION OF TERRORISM

The United States seeks to deter terrorism through broad dissemination of a clear message that we will not allow terrorism to achieve its objectives; we will not make concessions to terrorists; we will vigorously apply our criminal statutes to those who commit acts of terrorism anywhere in the world; and we will endeavor to apprehend terrorists wherever they seek refuge.

Further, the prevention of terrorism involves the interrelation of U.S. intelligence and investigative capabilities to detect and react effectively to incipient terrorist threats. By making effective use of intelligence product, we seek to involve the FBI in the investigation of terrorist plots as early in the chain of conspiratorial events as possible. In this way, the plot cannot only be disrupted but the conspirators can also be apprehended, preventing them from recycling their terrorist plans for use at some unknown future time and place.

Overseas, U.S. agencies working in coordination with their foreign counterparts disrupted a plot to bomb a dozen U.S. commercial jumbo jets flying Asian-Pacific routes. Three of the terrorists involved in this plot were arrested in distant countries, brought to the United States, and convicted in Federal court. Within the United States, investigative efforts resulted in the arrest and conviction of Sheik Omar Abdel Rahman and a number of his followers before they could carry out a deadly plot to bomb buildings, tunnels, and a bridge in Manhattan. Prevention of these two terrorist plots alone averted the death or serious injury of tens of thousands of Americans.

While the paramount objective is to prevent terrorist attacks, this goal cannot always be realized. When such acts occur, the pertinent U.S. agencies utilize their painstaking planning and training in an effort to respond in a coordinated and in an effective manner. There are separate deployment plans depending on whether the terrorist act occurs overseas or within the United States. Although the FBI is the lead Federal investigative agency regardless of the place where the terrorist act occurs, responsibility for overall management of the U.S. response to overseas terrorist attacks is vested

in the chief of mission. In contrast, within the United States, the FBI is in charge of the overall Federal response. In either case, the resources of all pertinent Federal agencies are available as needed under plans which are designed to ensure the effective integration and coordination of these resources.

The objective is to develop sufficient evidence to permit the indictment of the perpetrators and the issuance of warrants for their arrest. Although efforts to locate international terrorists and obtain their rendition to the United States are often very protracted, the passage of time does not diminish the Government's ardor for pursuing these international criminals. In one case, for example, custody of a defendant was obtained and his conviction achieved 19 years after his terrorist acts. In another case, the perpetrator of a deadly 1985 air piracy in the Middle East was tried and convicted in the United States in 1996. During these past 4 years, the relentless efforts to apprehend such fugitives have resulted in the rendition to the United States of seven individuals on charges relating to deadly terrorist plots.

The U.S. strategy for combating terrorism is a dynamic one. It is continually subject to reevaluation and is supplemented as appropriate to address newly identified concerns and circumstances. It requires the continuing efforts of participating agencies to perfect their operations and maintain their readiness.

CONGRESSIONAL INVOLVEMENT

Congress, of course, is an integral part of the dynamic process by which the counterterrorism program continues to be improved and perfected. The new counterterrorism funding provided in the final days of the 104th Congress has permitted the development of a more comprehensive response to terrorist attacks, including those involving nuclear, biological, or chemical weapons, and we are very grateful to you.

Much progress has been made during the past few years in preparing the United States to prevent acts of terrorism and to respond to those terrorist threats that do arise. However, many challenges remain including, most significantly, those relating to weapons of mass destruction and infrastructure protection. Accordingly, while the PDD–39 strategy has placed U.S. counterterrorism efforts on course, we continue to work on a priority basis with the other components of our Government and with like-minded foreign governments to maximize our ability to address this area of critical concern.

PREPARED STATEMENT

We appreciate and thank you for the opportunity to be here with you today, sir.

Chairman STEVENS. Thank you for joining us. We appreciate it very much.

[The statement follows:]

PREPARED STATEMENT OF JANET RENO

Thank you, Mr. Chairman and members of the Committee. I have submitted a more detailed, classified statement to the Committee. I will briefly summarize some of the unclassified portions of that statement, and then would be happy to answer

specific questions. However, since many of the details of our counterterrorism efforts are classified for security reasons, it will only be possible to address some of your questions in open session.

It is my privilege to appear before you today for the purpose of discussing with you our accomplishments over the past several years in the struggle against terrorism and the preparations that we are undertaking for combatting that scourge during the coming years.

The protection of our nation and its people from acts of domestic and international terrorism is among the greatest challenges faced by this Administration and one of the highest priorities of the Department of Justice. Over the past two decades, it has become clear that American citizens and interests abroad are the targets of choice of terrorists. More recently, it has become apparent in the wake of the World Trade Center bombing that we are not immune from international terrorist attacks on our own soil. Further, the risk of terrorism within our borders does not result solely from grievances imported from overseas as, increasingly, acts of terrorism are planned by home-grown groups and perpetrated by disaffected citizens.

Whatever the origin or misguided motivation of the particular terrorist, the potential consequences of a single incident can be enormous. The magnitude of human suffering that flows from acts such as the bombings of Pan Am Flight 103 and the World Trade Center is incalculable. As weapons of mass destruction become more accessible, we face the potential of even more catastrophic acts. The nerve gas attack in the Tokyo subway was a grim warning of this potential.

The challenge that terrorism presents to a free society is that we must endeavor to hone our skills and techniques sharply enough to prevent terrorist acts while fully respecting the individual rights and liberties for which this nation stands. We have made much progress in the past several years, successfully preventing a number of potentially deadly terrorist attacks at home and abroad. We have demonstrated that our commitment is unflagging and our memory is long. But, much work remains to be done.

The Administration's comprehensive strategy for meeting the challenges presented by terrorism is detailed in the report that I submitted to you earlier this month, as well as in my classified statement. The framework for that strategy is contained in Presidential Decision Directive 39 (PDD–39), dated June 21, 1995. The PDD seeks to integrate the roles of all pertinent federal agencies in a comprehensive, proactive program to prevent and punish terrorist acts.

The policy of our government in dealing with acts of terrorism, both at home and abroad, is straightforward. We will do everything possible to deter and prevent terrorist attacks. When acts of terrorism do occur, we will respond quickly and decisively, with the full panoply of options that we have available. We will work with our friends throughout the world to interdict terrorists and ensure their acts do not go unpunished.

Let me explain briefly some of the means by which we seek to accomplish these objectives.

Reducing Vulnerabilities Through Preparation

We seek to reduce our vulnerabilities to terrorist attack, both at home and abroad, by assessing the risks that terrorism poses to U.S. nationals, employees, and facilities, and by taking steps designed to prevent or minimize such risks. This is exemplified by the ongoing efforts of the Presidential Commission on Critical Infrastructure Protection. The Commission brings together key representatives from both government and the private sector to assess vulnerabilities and to propose comprehensive national policies and strategies. The Commission will complete its work and make its recommendations this fall.

Similarly, one of the FBI's recent initiatives has been the establishment of a Computer Investigations and Infrastructure Threat Assessment Center. The purpose of the Center is to identify the potential threat posed by terrorism to telecommunications and automated information systems, as well as to critical physical infrastructures. Working together with state and local authorities and the private sector, the FBI is endeavoring to develop ways to address those threats. The focus of these efforts will be refined consistent with the recommendations of the Presidential Commission.

Since terrorism prevention and response require the interaction of numerous agencies within the United States, effective coordination is critical. PDD–39 delineates the appropriate roles of federal agencies involved in addressing terrorism. Additionally, pursuant to the PDD, detailed coordination plans have been drafted to guide the deployment of resources in response to a threatened or actual terrorist incident. There are separate plans relating to overseas terrorist incidents and domestic terrorist incidents.

In addressing international terrorism, ongoing U.S. coordination efforts include bilateral and multilateral consultations and cooperation with foreign governments that share our objectives in countering terrorism. For example, we are working closely within the context of the P–8, recently renamed the Eight, to improve coordination and to develop tangible measures to assist in terrorism prevention and response. These measures include the development and submission to the United Nations of a draft convention directed at terrorist bombings of government facilities, public transportation systems, and places of general public use. Additionally, the Eight is actively involved in exploring the development of a number of other measures including tougher international standards for bomb detection and airport security, and the means to facilitate lawful government access to encrypted communications.

Similarly, preparations relating to terrorist threats and acts within the United States involve the development of effective coordination with state and local authorities. For example, the FBI has created 14 joint terrorism task forces which integrate the federal, state, and local law enforcement authorities in the particular locality. Additional task forces are in the planning or developmental stage. Similarly, plans are underway to involve state and local authorities in the FBI's new counterterrorism center.

I have directed that the FBI implement a comprehensive effort to coordinate with state and local law enforcement, owners and operators of critical infrastructure, and state and local emergency managers, in order to prevent and respond to terrorist activities. I have asked that clear lines of communication be established so that the relevant information can quickly and accurately be exchanged among these officials. I have further directed that the FBI coordinate with these officials to identify potentially vulnerable facilities, critical infrastructures, and special events, and to collaborate with these officials to develop plans to prevent and respond to terrorist attacks.

Since the ability to mount an effective response to a terrorist incident requires multiple agencies to interrelate smoothly under extreme pressure, training is also a key element of the U.S. strategy to reduce this nation's vulnerability to terrorism. To that end, the federal agencies involved in responding to extraterritorial acts of terrorism regularly engage in realistic training exercises which include after action evaluations designed to identify weaknesses and to facilitate their correction. Training relating to acts of terrorism occurring within the United States recognizes the important role of state and local agencies.

Current planning and training efforts relating to terrorism focus particular attention on addressing incidents involving weapons of mass destruction. For example, the FBI and DOD are spearheading an initiative, in coordination with the Department of Energy, FEMA, and other federal agencies, to provide WMD training to state and local emergency responders. This initiative will train emergency responders in 120 cities throughout the United States, with the initial nine cities due to receive training before the end of the current fiscal year. Similarly, the FBI and DOD are undertaking a three-year initiative which will involve training and assistance to foreign law enforcement officials, prosecutors, and judges in addressing nuclear, chemical, and biological trafficking and proliferation.

Prevention of Terrorist Acts

The U.S. seeks to deter terrorism through broad public dissemination of a clear message, including that we will not make concessions to terrorists; we will vigorously apply our criminal statutes to those that commit acts of terrorism anywhere in the world; and we will endeavor to apprehend terrorists wherever they seek refuge. Simply put, we will not allow terrorism to serve as a viable means to fulfill social or political objectives.

Similarly, the U.S. seeks to prevent terrorist acts by isolating nations which sponsor or support terrorism. Pursuant to its legislative authority, the State Department currently has seven nations designated as sponsors of terrorism—Iran, Iraq, Libya, Sudan, Syria, Cuba, and North Korea. Such designations trigger a series of economic sanctions.

Further, the prevention of terrorism involves the coordination of U.S. intelligence and investigative capabilities to detect and react effectively to incipient terrorist threats. Making effective use of intelligence product, the objective includes involving the FBI in the investigation of terrorist plots as early in the chain of conspiratorial events as possible. In this way, the terrorist plot cannot only be disrupted but the conspirators can also be apprehended, preventing them from recycling their terrorist plans for use at some unknown future time and place.

Overseas, the integrated efforts of pertinent U.S. agencies, working in coordination with their foreign counterparts, resulted in the disruption of a plot to bomb a dozen U.S. commercial jumbo jets flying Asian-Pacific routes, the arrests of three

of the plotters in distant countries, and the conviction of those defendants in U.S. federal court. Within the United States, investigative efforts resulted in the arrests of Sheik Omar Abdel Rahman and a number of his followers before they could carry out a deadly plot to bomb buildings, tunnels, and a bridge in Manhattan. Prevention of these two terrorist plots alone averted the death or serious injury of tens of thousands of Americans.

Response to Terrorist Acts

While our paramount objective is to prevent terrorist acts, thereby sparing innocent people from their tragic consequences, it will not always be possible to prevent terrorist acts. When such acts occur, the pertinent U.S. agencies seek to utilize their painstaking planning and training to respond in a highly coordinated and effective manner.

As mentioned previously, there are separate deployment plans depending on whether the terrorist act occurs overseas or within the United States. Although the FBI is the lead federal investigative agency regardless of the place where the terrorist act occurs, the State Department is the lead agency for overall management of the U.S. response to terrorism overseas. In contrast, within the U.S., the FBI is in charge of the overall federal response. In either case, the resources of all pertinent federal agencies are available as needed under plans which are designed to ensure the effective integration and coordination of those resources.

All overseas acts of terrorism which significantly impact U.S. persons or property are the subject of a criminal investigation. The objective is to develop sufficient evidence to permit the indictment of the perpetrators and the issuance of warrants for their arrest.

Although efforts to locate and obtain the rendition of a defendant to the United States are often very protracted, the passage of time does not diminish the government's ardor for pursuing these international outlaws. In one case, for example, custody of a defendant was obtained, and his conviction achieved, 19 years after his terrorist acts. In another case, the perpetrator of a deadly 1985 air piracy in the Middle East was tried and convicted in the United States in 1996. During the past four years, the relentless efforts to apprehend such fugitives have resulted in the rendition to the United States of seven individuals on charges relating to highly deadly terrorist plots.

The U.S. strategy for combatting terrorism is a dynamic one. It is continually subject to reevaluation and is supplemented as appropriate to address newly-identified concerns and circumstances. The strategy requires the continuing efforts of participating agencies to perfect their operations and maintain readiness.

Congress is, of course, an integral part of the dynamic process by which the counterterrorism program continues to be improved and perfected. The new counterterrorism funding provided in the final days of the 104th Congress has permitted the development of a more comprehensive response to terrorist attacks including those involving nuclear, biological, or chemical weapons.

The Committee has provided significant support in our efforts to counter and investigate acts of terrorism. Your foresight made available $545 million in counterterrorism resources in the 1995 Oklahoma City Supplemental, the 1996 Counterterrorism Amendment, and the 1997 Counterterrorism Enhancement. These resources provided over 2,000 new positions, including over 600 additional FBI Agents and nearly 90 Assistant U.S. Attorneys. A substantial portion of the Department's 1998 request includes annualization resources critical to fully-fund the important enhancements initiated in 1997. Our 1998 request also includes a limited number of enhancements, including funds aimed to bolster the Criminal Division and U.S. Attorneys' investigative and prosecutorial activities.

Much progress has been made during the past few years in preparing the United States to prevent acts of terrorism and to respond to those terrorist threats that do arise. However, many challenges remain including, most significantly, those relating to weapons of mass destruction and infrastructure protection. Accordingly, while the PDD–39 strategy has placed U.S. counterterrorism efforts on course, we continue to work on a priority basis with the other counterterrorism components of our government and with like-minded foreign governments to maximize our ability to address this area of critical concern.

FEDERAL BUREAU OF INVESTIGATION

STATEMENT OF LOUIS J. FREEH, DIRECTOR

Chairman STEVENS. Director Freeh.

Mr. FREEH. Thank you, Mr. Chairman. It is a pleasure, as always, to appear before the committee. Let me request that my longer statement be made part of the record. What I would like to do in a very few minutes is just give you an overview of what is contained in there.

Chairman STEVENS. We will print all of your statements in the record in full. We appreciate your courtesy. Thank you.

Mr. FREEH. Thank you. Let me also begin and echo the Attorney General in my appreciation for the funding which this committee has provided, particularly in the counterterrorism area, which is the subject of this hearing. We now expend approximately $243 million supporting over 2,600 positions dedicated solely to counterterrorism threats. That is a threefold increase in that initiative since I became the FBI Director. We have been able to achieve many of our initiatives and successes, some alluded to by the Attorney General, because of that substantial funding and the men and women of law enforcement, particularly in the FBI. We appreciate very much the support from this committee, particularly Senator Gregg and Senator Hollings.

REDUCING VULNERABILITIES THROUGH PREPARATION

The U.S. policy on terrorism is actually a very concise one. The protection of this Nation and its people against terrorist threats, whether domestic or foreign, is of the highest priority of the U.S. Government. The cornerstones of this policy are the reduction of vulnerabilities of the United States to terrorism at home and abroad; other terrorism to be deterred through clear public positions that our policy will not be affected by terrorist acts; our willingness and ability to respond rapidly and decisively to terrorism directed against the United States; and to develop the capabilities to deter, prevent, defeat, and manage consequences of nuclear, chemical, or biological attacks.

If you look at the FBI's current 10 most wanted fugitives list, it will give you an indication of the priority that counterterrorism has in the FBI. This list used to include mobsters and gangsters. We now have individuals such as Abdel Al-Megrahi and Lamen Fhimah. They are the two fugitives who have been charged with the bombing of Pan Am 103. As the Attorney General mentioned, time is not the issue with respect to the apprehension and prosecution of those individuals. Also on the list is an individual named Mir Aimal Kansi, who was responsible for the murders outside the CIA headquarters, and who remains a fugitive.

The renditions and extraditions which the Attorney General alluded to since 1993, emphasize and demonstrate very powerfully the counterterrorism policy of the United States. The individuals who are included on that list include Yousef, Walikhan, Najim, Abu Halimah, individuals charged in the *World Trade* bombing case and the *Manila* air case; an individual responsible for a 1985 hijacking; Rhezak Hakim, who is being charged with the Manila air conspiracy; and an individual named Zherezaki who is wanted for a 1986 attack on the United States Embassy in Indonesia. These cases remain a top priority of both the law enforcement and the intelligence communities. All of these renditions and extraditions were accomplished in close coordination and cooperation with the

Central Intelligence Agency which assisted in the location of some of these individuals. We are very appreciative of their assistance.

SOURCE OF TERRORISM

The current international terrorist threat comes from several sources: one such source is the seven foreign governments who have been publicly identified as sponsors of terrorism. We are concerned about the organized groups both abroad and within the United States, particularly Hamas and Hizballah and some of the radical fundamentalist groups. We are concerned also about the more informal ad hoc conspiracies demonstrated in the World Trade bombing case, which are harder to anticipate and more difficult to monitor because of their ad hoc nature and the mobility of the co-conspirators.

DOMESTIC TERRORISM

With respect to the current domestic terrorism threats, which you alluded to, Mr. Chairman, there is a long list of current attacks and problems which have required the FBI to devote vast new resources to address. We are looking within the United States at various individuals, as well as organizations, who have an ideology which suspects government, particularly the Federal Government, of world order conspiracies, and individuals who for various reasons have organized themselves against the United States. We are not concerned about the association of individuals who espouse ideologies which are perhaps inconsistent with principles of Federal Government. All of our investigations in domestic counterterrorism have to be predicated on an indication of criminal activity. The individuals and groups who pose a danger to people's lives and liberties are the subjects of these investigations.

There has been a long list of planned acts of terror which were interrupted by the coordinated efforts, not just within the Department of Justice, but across the Federal, State, and local law enforcement communities. Last month on April 22, a group of individuals in Texas, members of a Ku Klux Klan-type organization, were arrested because they planned, as they are now charged with doing, a series of attacks which would have included the blowing up of a natural gas storage facility as a diversionary tactic to another criminal act which they are charged with planning.

Going back over the last few months, individuals as well as organized groups of individuals, have been arrested. In West Virginia, a group of individuals planned to blow up the FBI CJIS Fingerprint Center were interrupted by arrest. The Freemen situation was predicated by the arrest of individuals who were planning to kidnap and try various State officials in Montana was resolved. All these cases were predicated on criminal activity.

FBI ROLES AND RESPONSIBILITIES

With respect to the FBI's roles and responsibilities, as the Attorney General stated, they are reaffirmed in the PDD–39 document which members of this committee are familiar with. That document sets out the responsibilities, not only of the FBI, but emphasizes

the coordination which is required among all Federal agencies to meet the objectives of Federal policy with respect to terrorism.

There is particular emphasis in that plan for coordination between the Department of Defense and the Department of Justice in areas where chemical, nuclear, or biological threats present themselves. This is an area, combined with the infrastructure threats, that is adding a new dimension and a new challenge to our efforts to deal with terrorism, particularly incidents in the United States.

We have, as I said, appreciated very much the resources that we receive from the Congress, particularly from this committee. Going back to 1995, we have been able to double the number of FBI agents and support employees in the counterterrorism program. We have done this in coordination with our partners in the CIA. We have exchanged deputies at a high level between the FBI and the CIA in the counterterrorism areas. The Deputy Section Chief in the International Terrorism Section is a CIA officer who has line authority. The Deputy at the CIA's Counterterrorism Center is an FBI agent. We have conducted joint training, conferencing, and operational planning with the CIA. I think our counterterrorism strategies, particularly in the international arena, have been strengthened by this cooperation. I want to thank George Tenet personally, who has supervised much of this cooperation.

Our goals are to improve our intelligence and information capabilities. The Attorney General referred to the creation of the Counterterrorism Center at the FBI, which is up and running. This center has representatives from 17 other Federal agencies and which is dedicated to a central collection and analytical point in the Federal Government for threats, particularly those regarding domestic terrorism.

We have tried to improve our forensic capabilities, particularly with the establishment of the hazardous material unit in our laboratory. Two weeks ago, Mr. Chairman, this unit responded to the threat at the B'nai B'rith here in Washington, DC. This threat turned out to be a hoax threat but at the time was taken very seriously. We are developing other infrastructure capabilities and assessments on both an interim and long-term basis. We are striving in this regard to grow in a coordinated fashion with our State and local partners. These partners need not only our training, which this committee has authorized, but the coordination of intelligence and joint operations when it is appropriate.

PREPARED STATEMENT

In conclusion, both with respect to the traditional terrorism threats and the new ones which now present themselves, the tremendous support which the Congress, and particularly this committee has provided is being put to good use, to coordinated use, and we very much appreciate your support with continuing contributions in this regard.

Chairman STEVENS. Thank you very much, Mr. Director.

[The statement follows:]

PREPARED STATEMENT OF LOUIS J. FREEH

Good afternoon, Mr. Chairman and members of the committee. I welcome this opportunity to discuss the policy of the administration on counterterrorism, to describe the threat of terrorism in the United States, and to bring you up-to-date on how the FBI is using the counterterrorism resources Congress has provided over the past several years to address this problem.

ACKNOWLEDGMENTS

At the very outset, I want to recognize the early leadership that Senators Gregg and Hollings, along with the other members of the committee, have exhibited in this critical area. Their efforts, initially in the Senate mark-up of the 1997 Justice Appropriations Act and then in the conference agreement for the Omnibus Appropriations Act, provided the FBI with $133.9 million in new funding as part of a comprehensive counterterrorism initiative.

On behalf of the men and women of the FBI, especially those who work tirelessly toward protecting the American people against the threat of terrorism, I wish to thank you for your support. I am confident that our efforts will justify your past commitment and continued support to this important area of the FBI's responsibility.

UNITED STATES POLICY ON TERRORISM

The protection of our nation and its people against the threat of terrorism, by individuals and groups operating from home and abroad, is one of the highest priorities of the administration. As a nation, we must stand firm in our resolve against terrorism. We must not allow those who would resort to acts of terrorism to succeed in influencing the policies and actions of our government and tearing apart the very fabric of American society.

The government's policy to fight terrorism is articulated in Presidential Decision Directive (PDD) 39, "U.S. Policy on Counterterrorism." this policy, signed by President Clinton on June 21, 1995, makes it clear that the national policy of the United States is to regard acts of terrorism as both a threat to national security and a criminal act, and to respond vigorously to all such acts on our territory or against our citizens wherever they occur.

The United States is also committed to strengthening the ability of the international community to prevent acts of terrorism before they occur and to respond more effectively to acts of terrorism when they do occur.

Just recently, the Attorney General submitted to the House and Senate Appropriations Committees the administration's comprehensive counterterrorism strategy that was requested by Senate Report 104–353. This plan builds upon the foundations and responsibilities articulated in PDD–39.

FOUR MAJOR CORNERSTONES OF POLICY

There are four major cornerstones through which the government's policy on terrorism is to be implemented. These are: to reduce the vulnerabilities of the United States to terrorism; to deter terrorist acts before they occur; to respond to terrorist acts that do occur, including apprehension and punishment of terrorists and management of the consequences of terrorist acts; and to develop effective capabilities address the threat posed by nuclear, chemical, or biological materials or weapons.

Within the scope of these four cornerstones, the roles and responsibilities of the many agencies involved in the government's counterterrorism effort are articulated. Interagency coordination and cooperation are key factors underlying the principles upon which the government's policy is built and are the path to its success.

NATURE OF THE TERRORIST THREAT

Based upon this policy of treating terrorists as criminals and applying the rule of law, the United States is one of the most visible and effective forces in identifying, locating, and apprehending terrorists here and overseas. At the same time, this policy invites the possibility of reprisals. To help put this into perspective, I would like to discuss the nature of the terrorist threat—both international and domestic—that our nation faces today.

INTERNATIONAL TERRORIST THREAT

International terrorism against the United States is that which is foreign based and/or directed by countries or groups outside the United States, or whose activities

transcend national boundaries. The threat posed specifically by foreign terrorists has increased in the past three years and will continue for the foreseeable future.

The current international terrorist threat to the United States government, its people, and its interests can be divided into three major categories: (1) state sponsors of international terrorism, (2) formalized terrorist groups, and (3) loosely-affiliated international Islamic extremists.

STATE-SPONSORED TERRORISM

The first major threat to Americans comes from state sponsors of international terrorism. State sponsors include Iran, Iraq, Syria, Sudan, Libya, Cuba, and North Korea. In recent years, terrorist activities by Cuba and North Korea appear to have declined, due primarily to the deteriorating economic situations in both countries. However, the activities of Iran, Iraq, Syria, Sudan, and Libya have continued.

These state sponsors continue to view terrorism as a tool of foreign policy. Past activities included direct terrorist support and operations by official state agents. Following successful investigations which have identified the activities of state agents involved in terrorism, state sponsors now generally seek to conceal their support of terrorism by relying on surrogates to conduct actual operations.

State sponsors, however, continue to remain engaged in anti-western terrorist activities by funding, organizing, networking, and providing other support and instruction to many extremists. A classic example of state sponsored terrorism was the attack on Pan Am Flight 103 in 1988, which killed 270 people. Two Libyan intelligence operatives, Lamen Fhimah and Abdel Al-Megrahi, were indicted for their role in the attack.

FORMALIZED EXTREMIST GROUPS

The second major international terrorist threat to the United States is posed by formalized extremist groups. These autonomous organizations have their own infrastructures, personnel, financial arrangements, and training facilities. They are able to plan and mount terrorist campaigns overseas, and support terrorist operations inside the United States.

Extremist groups such as Lebanese Hizballah, the Egyptian Al-Gamat Al-Islamiyya, and the Palestinian Hamas have placed supporters inside the United States who could be used to support an act of terrorism here. Hizballah is one of the most dangerous of these groups.

Hizballah has staged numerous anti-United States terrorist attacks, including the suicide truck-bombing of the United States Embassy and the United States Marine Corps barracks in Lebanon in 1983 and the United States Embassy annex in Lebanon in 1984. Elements of the group were also responsible for the kidnaping and detention of United States hostages in Lebanon.

INTERNATIONAL RADICAL FUNDAMENTALISTS

The final major international terrorist threat to the United States stems from loosely-affiliated Islamic terrorists, such as the World Trade Center bombers and Ramzi Ahmed Yousef. These extremists are neither surrogates of, nor strongly influenced by, any one nation. They have the ability to tap into a variety of official and private resource bases in order to facilitate terrorist acts against United States interests.

Loosely-affiliated extremists may pose the most urgent international terrorist threat to the United States at this time since they are relatively unknown to law enforcement. They have the ability to travel freely, obtain a variety of identities, and recruit like-minded sympathizers from various countries and/or factions.

Some of these extremists in the United States are developing or experimenting with advanced communications, electronic mail, and the internet. For example, supporters of Shayke Omar Abdel Rahman solicited monies for his defense through the internet during his trial for the planned multiple attacks against New York City landmarks and United States government facilities.

REVOLUTIONARY AND INSURGENT GROUPS

Revolutionary and insurgent groups continue to operate in South and Central America and other locations. These groups have been responsible for kidnapings of American business representatives, religious missionaries, and tourists, as well as other crimes. However, at this time, it does not appear that these groups represent a major international terrorist threat to the United States government or its interests.

DOMESTIC TERRORISM THREAT

Domestic terrorist groups are those which are based and which operate entirely within the United States, or its territories, and whose activities are directed at elements of the United States government or its civilian population. The threat posed by domestic terrorist groups has remained significant over the past several years. Domestic terrorist groups represent interests spanning the full political spectrum, as well as social issues and concerns. FBI investigations of domestic terrorist groups are not predicated upon social or political beliefs; rather, they are based upon planned or actual criminal activity.

The current domestic terrorist threat primarily comes from right-wing extremist groups, militia groups, Puerto Rican terrorist groups, and special interest groups.

RIGHT-WING EXTREMIST GROUPS

A basic philosophical tenet of many right-wing extremist groups is a belief in the superiority of the white race and that blacks, Jews, and other ethnic minorities are inferior racially, mentally, physically, and spiritually. Much of their philosophy flows from a racist, anti-semitic religion known as "Christian Identity." Christian Identity teaches that white non-Jews are God's chosen race and that Jews are the offspring of satan.

Many right-wing extremist groups also espouse anti-government sentiments. These groups refer to the federal government as the Zionist Occupation government and claim that it is controlled by Jewish interests. A number of right-wing groups also believe that the federal government is bent on stripping constitutional rights from individual citizens of the United States.

In an attempt to live apart from "inferior people," some right-wing groups advocate creating a separate nation from the five states comprising the northwest region of the United States—Washington, Oregon, Idaho, Montana, and Wyoming.

Right-wing extremist groups believe that either an economic and/or social collapse which will bring about the biblical Armageddon is imminent. Therefore, they routinely engage in survivalist and/or paramilitary training to ensure the survival of the white race and/or United States.

Among the right-wing extremist groups operating in the United States are: the Army of Israel, the Aryan Nations, the Texas Aryan Brotherhood, the California Militia, the Viper Militia, the Mountaineer Militia, the Republic of Texas, our one supreme court, the Texas Constitutional Militia, the Utah Free Militia, the North Idaho Militia Group, and the Freemen.

MILITIA GROUPS

Since 1992, the United States has experienced an exponential growth of militia groups. While the majority of militia members are law abiding citizens, there is a small percentage of members within militia groups who advocate and conspire to commit violent criminal acts. Of particular concern to the FBI is the potential for militias to be infiltrated by extremists who seek to exploit militias and their members in order to further their own terrorist agendas.

While militia groups are often multi-racial, they are predominately white. They generally view themselves as "sovereign" citizens who are exempt from the laws and regulations of the United States government. Militia members often subscribe to the theory that the federal government is in a conspiracy with the United Nations that would result in the creation of a one-nation world government, or new world order. This one-world government would use foreign troops in the United States to seize all privately owned weapons and imprison and execute patriotic militia members.

Many militia groups advocate stockpiling weapons and explosives and conducting paramilitary training as part of their preparation for what they believe will be an inevitable armed conflict with the government. Some militia groups openly advocate the overthrow of the federal government.

Militia members and cells are engaged in a wide variety of criminal activity, such as the illegal sale and purchase of automatic weapons, issuing threats against federal and elected officials, the illegal transportation of explosives, bombings, destruction of government property, and the filing of spurious lawsuits designed to harass law enforcement, elected officials, and others, as well as to disrupt the courts. Some militia members engage in fraudulent financial schemes to raise funds. Others have committed armed robberies of banks and armored cars.

I want to emphasize, again, that FBI investigations of militia groups are predicated upon violations of federal law and are not based upon members lawful exercise of their first or second amendment rights.

PUERTO RICAN TERRORIST GROUPS

Although the last terrorist incident involving Puerto Rican terrorist groups was a bombing in Chicago in December 1992, these groups continue to be of concern. Between 1982 and 1994, approximately 44 percent of the terrorist incidents committed in the United States and its territories are attributed to Puerto Rican terrorist groups. Efforts are continuing to locate fugitives still at large from these incidents. Further, several incarcerated members of Puerto Rican terrorist groups are due to be released from prison in 1998.

Puerto Rican terrorist groups believe the liberation of Puerto Rico from the United States justifies the use of violence to obtain that objective. These groups characterize their terrorism activities as "acts of war" against invading forces and, when arrested, they consider themselves to be "prisoners of war" who must be treated as such according to the Geneva Convention. Clandestine behavior and security are of utmost importance in these group's activities.

Puerto Rican terrorist groups consider any act that brings funds, weapons, and other supplies into these organizations as justified. Among the acts committed by these groups are murders, armed robberies of banks and armored carriers, thefts of weapons, bombings of United States government buildings, and bombings of United States military facilities. These groups also target federal and local government officials.

The EPB-Macheteros has been the most active and violent of the Puerto Rico-based terrorist groups since it emerged in 1978. The FALN (Armed Forces for Puerto Rican National Liberation) is a clandestine terrorist group based in Chicago which emerged in the 1970's. The MLN (Movement of National Liberation) is the "above ground" support group and political arm of the FALN. The MLN is the major fundraiser for the FALN. Among the business ventures operated by the MLN are a bakery and a newspaper.

SPECIAL INTEREST TERRORIST GROUPS

Special interest terrorist groups engage in criminal activity to bring about specific, narrowly-focused social or political changes. They differ from more traditional domestic terrorist groups which seek more wide-ranging political changes. It is the willingness to commit criminal acts that separates special interest terrorist groups from other law-abiding groups that often support the same popular issues. By committing criminal acts, these terrorists believe that they can force various segments of society to change attitudes about issues considered important to them.

The existence of these types of groups often does not come to law enforcement attention until after an act is committed and the individual or group leaves a claim of responsibility. Membership in a group may be limited to a very small number of co-conspirators or associates. Consequently, acts committed by special interest terrorists present unique challenges to the FBI and other law enforcement. Unfortunately, these types of terrorist acts are growing more prevalent.

An example of special interest terrorist activity is the February 2, 1992, arson of the mink research facility at Michigan State University. Rodney Coronado, a member of the Animal Liberation Front, pled guilty to arson charges on July 3, 1995. The Animal Liberation Front is a militant animal rights group founded in England in 1976.

Assessing the capabilities of international and domestic terrorist groups to inflict harm on American citizens and the United States government is critical to developing the capabilities and strategies needed to implement the four cornerstones that are embodied by PDD–39.

FBI ROLES AND RESPONSIBILITIES

As I stated earlier, PDD–39 establishes the roles and responsibilities for the many government agencies that are involved in the government's counterterrorism response. PDD–39 defines these roles and responsibilities within the context of the four cornerstones through which the government's policy on terrorism is to be implemented. In many instances, PDD–39 reaffirmed roles and responsibilities set out in earlier executive orders and by federal statutes.

PDD–39 also established new roles and responsibilities based on the assessment of the current terrorism threat to the United States, especially in light of the dramatic changes resulting from the dissolution of the former Soviet Union and the communist bloc. It is within this framework that I would like to talk about the FBI's counterterrorism roles and responsibilities.

REDUCING OUR VULNERABILITIES

In general, PDD–39 confers upon the heads of all executive branch departments and agencies the responsibility of ensuring that their personnel and facilities, and the people and facilities within their jurisdiction, are fully protected against terrorism. As lead investigative agency, PDD–39 confers upon the FBI responsibility for reducing vulnerabilities by an expanded counterterrorism program.

PDD–39 further directed the Attorney General, in her role as the chief law enforcement officer, to chair a Cabinet committee to review the vulnerability to terrorism of government facilities in the United States and the nation's critical infrastructure. She was also directed to make recommendations to the President and the appropriate Cabinet member or agency head regarding the findings of the committee.

In response to this tasking, the Attorney General established the critical infrastructure working group which included representatives from the Department of Defense and the intelligence community. The group identified eight national critical infrastructures: telecommunications, transportation, emergency services, banking and finance, electrical power systems, water supply systems, gas/oil storage and transportation, and continuity of government. The group also identified two categories of threat to these infrastructures—physical and cyber.

In July 1996, the President issued an executive order on critical infrastructure protection that established the President's Commission on Critical Infrastructure Protection. The order also established an interim infrastructure protection task force. The purpose of the task force is to identify and improve coordination of existing infrastructure protection efforts throughout the government until the completion or development of a comprehensive national policy and strategy for critical infrastructure protection. The FBI was selected to chair the task force. The Commission oversees the work of the task force.

DETERRING TERRORISM

The United States government seeks to deter terrorism through public diplomacy, by reducing terrorist capabilities at home and abroad, and by seeking the return of indicted terrorists to the United States for prosecution.

RESPONDING TO TERRORISM

To develop and coordinate the government's response to international and domestic terrorism, the President has established lead agency responsibilities among the various departments of the executive branch.

The President reaffirmed the Department of Justice as the overall lead agency domestically. In addition to being responsible for the prosecution of terrorists that violate United States law, the department is responsible for the development and implementation of policies addressing domestic terrorism. For foreign incidents, the Department of State is the lead agency.

The President reaffirmed the FBI as the lead agency for investigating terrorist acts planned or carried out by foreign or domestic terrorist groups in the United States or which are directed at United States citizens or institutions abroad.

Effective response and coordination obviously requires good interagency support coordination. The PDD directed the establishment of rapidly deployable interagency emergency support teams to respond to terrorist incidents. The Department of State is given responsibility for leading and managing the foreign emergency support team in foreign incidents. The FBI is designated as being responsible for the domestic emergency support team in domestic incidents. Both teams are to include modules for specific types of incidents, such as nuclear, biological, or chemical threats.

Other responsibilities of the FBI, consistent with its existing authorities, are to collect, analyze, and disseminate intelligence on terrorist groups and activities, and to disseminate internal threat warnings. Finally, to facilitate intelligence community and law enforcement cooperation, the FBI has been directed to establish a domestic counterterrorism center.

WEAPONS OF MASS DESTRUCTION

The acquisition, proliferation, threatened or actual use of weapons of mass destruction by a terrorist group or individuals constitutes one of the gravest threats to the United States. The government's policy recognizes that there is no higher priority than preventing the acquisition of this capability or removing this capability from terrorist groups potentially opposed to the United States.

The FBI is working closely with the Department of Defense to carry out other authorized weapons of mass destruction programs, such as Nunn-Lugar. We are ac-

tively undertaking initiatives to employ all necessary measures, assets, and resources to achieve these objectives.

During the past year, the FBI has implemented several new initiatives to meet this challenge. These initiatives are not conducted in a unilateral manner, but with the FBI working with many other United States government agencies and state and local agencies to coordinate crisis and consequence management.

These initiatives involve the FBI's role in the interagency community to assist in the training of law enforcement and emergency responders throughout the United States; to issue and update contingency plans for FBI field offices and other crisis management agencies; to participate in interagency exercises; to create the domestic emergency support team; and to implement the joint Department of Defense/FBI international training initiative in the former Soviet Union.

SPECIAL EVENTS MANAGEMENT

The FBI plays a major role in the intelligence and security planning for many special events occurring within the United States, such as the 1996 Atlanta Olympics, the Democratic and Republican National Conventions, and Presidential Inauguration.

These events routinely receive a high degree of visibility both domestically and internationally. As such, these events represent potential targets for acts of terrorism in which the resulting consequences could cause significant harm to either United States national interests or international political stability.

COUNTERTERRORISM RESOURCES

PDD–39, as well as other executive orders and federal statutes, has served as the blueprint for developing the various counterterrorism initiatives and funding proposals that have been generously supported by the committee. In developing these initiatives, I have sought to address not only counterterrorism investigative requirements, but also certain critical infrastructure capabilities of the FBI that allow our investigators and analysts to perform their jobs. Establishing and maintaining an effective counterterrorism capability within the FBI requires a careful balance between investigative resources and related information, technology, and forensic support services.

1995 COUNTERTERRORISM SUPPLEMENTAL

In the aftermath of the April 1995 bombing of the Murrah Federal Building in Oklahoma City, the administration submitted a supplemental budget request for the FBI to enhance domestic terrorism capabilities. Congress responded by enacting a 1995 supplemental appropriation that provided 427 support positions and $77.1 million to the FBI. Among the items funded by Congress were several major, multi-year projects, such as the upgrading of FBI command center capabilities.

The FBI has filled all of these 427 support positions; 425 employees are on board and 2 have been provided appointment letters. Among these new positions were 190 special surveillance group staff, 25 analysts for the counterterrorism center, 75 intelligence research specialists, 50 police officers, 69 technical staff, and 18 field clerical staff.

We have obligated $54.8 million of the 1995 supplemental funding, as of March 31, 1997. Recently, the House and Senate Appropriations Committees cleared the FBI's request to use $7.5 million of the remaining unobligated funds for the computer investigation and infrastructure threat assessment center, as well as initiatives related to the infrastructure protection task force. The largest amount of unobligated funds is for the renovation and upgrading of the FBI command center, which is a multi-year project scheduled for completion in 1998.

1996 COUNTERTERRORISM INITIATIVE

Congress provided the FBI with $158.8 million in 1996 for counterterrorism activities, including 222 new positions. We have hired 209 individuals, including all 131 agents and 78 of 91 support staff.

Of the $158.8 million provided, $89.5 million has been obligated as of March 31, 1997. The remaining unobligated 1996 counterterrorism amendment funding consists of no-year construction and violent crime reduction funds for several major, multi-year initiatives, primarily the construction of a new FBI laboratory facility and the FBI command center.

The FBI has selected a site for the new facility at the FBI Academy in Quantico, Virginia. We expect to begin site preparation later this summer. Funding was also

provided for a multi-year modernization of laboratory equipment and to acquire equipment for evidence response teams in FBI field offices.

The 1996 appropriation also included the remainder of the funding planned for the FBI command center project, as well as funding to support FBI digital telephony and tactical operations programs. These latter two programs are critical to maintaining our technical capabilities in counterterrorism matters. These are long-term programs that will allow us to keep pace with changing technologies.

1997 COUNTERTERRORISM INITIATIVE

As I mentioned earlier, Congress provided the FBI with $133.9 million in new counterterrorism resources in the 1997 appropriations. This funding will allow us to assign 644 additional agents and 620 support employees to support our counterterrorism programs, FBI laboratory, critical incident response group, and service operations.

Most of the new agents and support positions are allowing us to double the "shoeleather" for counterterrorism investigations so that we can address emerging domestic and international terrorist groups, establish an investigative capability for chemical/biological/nuclear incidents, identify key assets and conduct infrastructure vulnerability assessments. Each of these areas directly supports the four major cornerstones of the government's counterterrorism policy.

We are also expanding the number of joint terrorism task forces that have proven to be extremely valuable in facilitating cooperation among federal, state, and local law enforcement.

To support our expanded field counterterrorism efforts, Congress also funded improvements for FBI information and intelligence capabilities. We are establishing our computer investigation and infrastructure threat assessment center (CITAC) at FBI headquarters to serve as a resource for investigations of computer crimes and attempts to disrupt or disable the national information infrastructure. We are implementing a plan to improve our language translation capabilities, particularly in the areas of FARSI and Arabic.

We are acquiring computers that will provide us access to classified intelligence computer networks and databases so that we can exchange information with our partners and access their data. Efforts are underway to update the database of key asset information. We are strengthening state and local law enforcement involvement with our counterterrorism center.

To improve forensics and crisis management capabilities, Congress provided funding to establish a hazardous materials response capability within the FBI laboratory so that we can fulfill our role in terrorist incidents where chemical or biological agents or nuclear materials are suspected or involved. Funding was also provided to upgrade the training provided to federal, state, and local law enforcement, firefighter, and public safety officers through the FBI's hazardous response school at Redstone Arsenal, Alabama. We are developing a capability to exchange forensic information with other foreign governments so that we can improve our ability to link terrorist incidents and identify persons responsible for terrorist acts.

We are implementing a crisis management program that provides training to senior law enforcement managers, including the Attorney General, top Department of Justice officials, FBI special agents in charge, and others, who are key decision-makers in the management and resolution of a hostage-taking incident, a terrorist act, a prison siege, or other crisis situation. Our crisis management program also assists in the planning and conducting of training exercises that assess the readiness of federal agencies, state and local government, and others in responding to a chemical and biological incidents or other similar threats.

Finally, to provide a more secure work environment, Congress provided funding to acquire physical security equipment for FBI offices, such as x-ray machines, magnetometers, and closed-circuit television systems; to hire contract guard and security for field offices and the FBI Academy; and to add additional police officers to protect our new Washington, D.C. field office. These physical security upgrades are consistent with the measures recommended in the vulnerability assessment of federal facilities that was mandated after the Oklahoma City bombing.

1998 PRESIDENT'S BUDGET

The 1998 budget request to Congress includes $83.3 million to fully fund the new counterterrorism positions provided by the Congress in the 1997 appropriations act. Most of this funding is for personnel compensation of agent and support staff.

Additionally, within our technology crimes initiative, an increase of $5.9 million is proposed to fund the operations of the CITAC. Initial funding for the CITAC was provided as part of the counterterrorism initiative in the 1997 appropriations act.

CITAC supports both criminal and national security investigations. This additional funding is needed for contractor support services, technical equipment, training, and operational travel. The 1998 budget also proposes 56 positions (34 agents) and $5.9 million for computer crime investigations.

The dual threats that the CITAC addresses are among the most challenging and dynamic problems that the FBI must address in meeting its national security and criminal missions. Illegal electronic intrusion into computer networks is a rapidly escalating crime and security problem. In addition to terrorists, white-collar criminals, economic espionage agents, organized crime groups, and foreign intelligence agents have been identified as "electronic intruders" responsible for penetrations of American computer systems and networks.

The United States government relies upon the national information infrastructure for the efficient, uninterrupted flow of electronic information for air traffic control, military communications, energy distribution, public safety, and other essential government programs and services. Intelligence and industry forecasts indicate the United States is just beginning to realize the potentially damaging effects and extent of the computer crime problem.

CONCLUSION

The dynamic nature of the counterterrorism threat to the United States is a significant challenge to the FBI, as well as all of the other federal, state, and local agencies involved in combating terrorism. PDD–39 clearly articulates the policy of the United States towards terrorism, identifies the major underpinnings of this policy, and designates roles for federal agencies.

Consistent with this overall statement of policy, and with the resources you have provided us, the FBI is developing and implementing a comprehensive counterterrorism strategy. Our success in achieving our goals and objectives in thwarting international and domestic terrorism will depend, in part, upon the continued support of the Congress. I am hopeful that we will be able to enjoy the continued support of Congress as we work toward achieving our counterterrorism goals and objectives.

I strongly believe that the American people expect the FBI to do its best to, first prevent acts of terrorism from happening, and two, to effectively respond to and investigate those acts of terrorism that are committed so that the persons responsible for such heinous crimes are prosecuted to the fullest extent of the law. I know that with the committee's continued support, the FBI will be able to meet the challenge of terrorism in the United States.

That concludes my prepared remarks. I would like to respond to any questions at this time.

CENTRAL INTELLIGENCE AGENCY

STATEMENT OF GEORGE J. TENET, ACTING DIRECTOR

Chairman STEVENS. Mr. Tenet.

Mr. TENET. Mr. Chairman, let me tell you what we face when we attack this terrorist target. First, terrorists, as we know, guard their tactics, methods, and objectives more assiduously than any of the other targets we pursue. Second, international terrorists are extending their geographic reach around the world, including the United States. I refer here to operations such as the World Trade Center bombing, attacks against Israeli targets in South America, the truck bomb that killed 19 United States service personnel at Khobar Towers in Saudi Arabia, and the murder of 2 CIA employees outside of our own front gates.

Terrorists are developing increasingly complex ways to support their operations. Frequently they use multiple front companies or nongovernmental organizations to disguise their operations, and they have the means to move money, materiel, and manpower around the world.

Finally, international terrorists are turning to even more sophisticated methods of attack. We saw this in the Aum Shinrikyo use of nerve gas against commuters in the Tokyo subway 2 years ago.

Potential terrorist use of chemical, biological, or other such weapons on a wider scale must become one of our highest priority concerns.

As this snapshot makes clear, Mr. Chairman, our task is not just to unveil terrorist secrets, it is to stay a step ahead of the terrorist, who is constantly on the move and constantly seeking more advanced methods.

Mr. Chairman, let me review for you some key aspects of our approach. Counterterrorism has been a subject of concentrated and focused effort by the intelligence community ever since the DCI Counterterrorist Center, or CTC, was established in 1986 by DCI Casey. CTC is not only the center of intelligence work on terrorism, it also embodies the effective interagency cooperation that is vital to counterterrorism. It includes personnel from CIA as well as 11 other departments and agencies. The components represented include intelligence agencies, such as DIA and NSA, law enforcement, such as the FBI and Secret Service, and policymaking agencies such as the Department of State. One of the two deputies, as Judge Freeh pointed out, of CTC is a senior FBI officer.

By pulling all of these elements together, the Counterterrorist Center creates a whole that is greater than the sum of its parts. It harnesses all of the operational, analytical, and technical elements devoted to counterterrorism. The results through the years point to the soundness of this idea. The successes of this approach range from the uncovering of Libya's role in the bombing of Pan Am 103 to the thwarting of Ramzi Yousef's attempt to blow a dozen United States airliners out of the sky in the Far East during 1995. Moreover, CTC has worked with the State Department to provide extensive counterterrorist training to our allies. Over 18,000 individuals in 50 nations have been trained in counterterrorism over the past decade.

We are enhancing the capabilities, Mr. Chairman, of CTC and other intelligence community elements with new counterterrorist initiatives launched during the past year with your help. They touch upon each of the things we do in counterterrorism, including human and technical collection of intelligence, analysis, warning, and response. We have created a new terrorism warning group whose sole mission is to make sure civilian and military leaders are alerted to specific terrorist threats. We have created additional all-source analytical positions to improve our indepth understanding of terrorist groups. We have expanded technical collection operations so that we can stay ahead of the terrorists' own improvements in their communications and use of other technologies. And we are expanding our human intelligence operations, including a substantial increase in CIA operations officers working overseas against the terrorism problem.

The intelligence on terrorism, Mr. Chairman, that we provide to our sister agencies ranges from the warning information I just mentioned to intelligence on the behavior of state sponsors of terrorism. The latter supports the Department of State's diplomatic efforts to bring the policies of our allies toward certain state sponsors of terrorism into harmony with U.S. policy.

We also assess the capabilities and the willingness, where that is an issue, of other States to combat terrorism. And we collect and

assess information on terrorists' tactics and techniques, what they might use against us in any attack today, and what we are likely to face from them in the future. In this regard we work very closely with other agencies, such as the Secret Service and the Federal Aviation Administration, that are responsible for security countermeasures designed to protect specific individuals or facilities.

Let me put special emphasis, Mr. Chairman, on our support to law enforcement, particularly the Federal Bureau of Investigation. Intelligence performs three important functions in assisting law enforcement agencies in applying the rule of law to international terrorists. Intelligence on individual terrorists has, on numerous occasions, prevented a terrorist from reaching our shores or, upon reaching it, has enabled the Immigration and Naturalization Service to stop the person. Intelligence supports criminal investigations that determine the culpability for terrorist acts. It does so by using our foreign intelligence resources to assist the FBI in following up any lead that points overseas. As I mentioned, it was intelligence that uncovered Libya's role in the Pan Am 103 bombing, and it was intelligence from CIA and the FBI that uncovered the Iraqi attempt to assassinate President Bush in Kuwait in 1993.

Finally, intelligence assists the FBI in finding terrorists who are hiding abroad. No intelligence officer will ever have the direct satisfaction of putting handcuffs on a fugitive, because that is not part of our charter. But on eight occasions since 1993, CTC has provided pivotal assistance to law enforcement officials in rendering foreign terrorists into U.S. hands for prosecution in U.S. courts.

Our assistance to law enforcement, Mr. Chairman, extends not only to U.S. law enforcement agencies, but to foreign ones as well. We have numerous counterterrorist partnerships with foreign intelligence, security, and police services. These liaison relationships are a major source of information and insight to us. In return, we can assist foreign authorities in bringing a fugitive terrorist to justice. We have done so five times in the last 3 years.

In all of these activities, Mr. Chairman, we are guided by one overarching strategic goal, to get at the terrorists' activities as early as possible in the cycle of terrorist planning and preparation. Ultimately, our goal must be to increase the President's options for dealing with terrorists, to provide not only the intelligence required to retaliate against them, but also the intelligence needed to prevent and disrupt their operations before danger turns to disaster. Working in close partnerships with our colleagues in law enforcement and other parts of the Government, we are making steady progress on these goals.

PREPARED STATEMENT

I would close with a simple statement, Mr. Chairman, one that the Attorney General and the Director of the FBI I am sure share. For those who would attack the United States or its people, there will be no guaranteed safe haven anywhere in the world.

Thank you, Mr. Chairman. We welcome your questions.

[The statement follows:]

PREPARED STATEMENT OF GEORGE J. TENET

Mr. Chairman, I am pleased to appear before the Committee to discuss the Intelligence Community's role in the overall U.S. strategy to combat terrorism. In opening let me stress three points: International terrorism is a major and growing national security concern; meeting that threat requires an integrated response by our diplomatic, defense, intelligence, and law enforcement agencies; finally, intelligence is vital to this effort.

Let me tell you what we face, Mr. Chairman, in attacking the terrorist target.

First, terrorists guard their tactics, methods, and objectives more assiduously than any of the other targets we pursue.

Second, international terrorists are extending their geographic reach around the world, including to the United States. I refer here to terrorist operations such as: The World Trade Center bombing; attacks against Israeli targets in South America by Lebanese Hizballah; the military training center bombing in Riyadh, Saudi Arabia that killed five U.S. citizens; the truck bomb that killed 19 U.S. service personnel at Khobar Towers in Saudi Arabia; and the murder of CIA employees just outside our own front gates.

Third, terrorists are developing increasingly complex ways to support their operations. Frequently, they use multiple front companies or nongovernmental organizations to disguise their operations, and they have the means to move money, materiel, and manpower around the world.

Finally, international terrorists are turning to ever more sophisticated methods of attack. We saw this in the Aum Shinrikyo use of nerve gas against commuters in the Tokyo subway two years ago. Potential terrorist use of chemical, biological, or other such weapons on a wider scale must be one of our highest priority concerns.

As this snapshot makes clear, Mr. Chairman, our task is not just to unveil terrorist secrets; it is to stay a step ahead of the terrorist, who is constantly on the move and constantly seeking more advanced methods.

Now, Mr. Chairman, let me review for you some key aspects of our approach. Counterterrorism has been a subject of concentrated and focused effort by the Intelligence Community ever since the DCI Counterterrorist Center, or CTC, was established in 1986. CTC is not only the center of intelligence work on terrorism; it also embodies the effective interagency cooperation that is vital in counterterrorism.

CTC includes personnel from CIA as well as eleven other departments and agencies.

The components represented include intelligence agencies, such as DIA and NSA, law enforcement, such as the FBI and Secret Service, and policy-making agencies such as the State Department.

One of the two deputy chiefs of CTC is a senior FBI officer.

By pulling all of these elements together, the Counterterrorist Center creates a whole that is greater than the sum of the parts. It harnesses all of the operational, analytical, and technical elements devoted to counterterrorism.

The results through the years point to the soundness of this idea.

The successes of this approach range from the uncovering of Libya's role in the bombing of Pan Am 103 to the thwarting of Ramzi Yousef's attempt to blow a dozen U.S. airliners out of the sky in the Far East during 1995.

Moreover, CTC has worked with the State Department to provide extensive counterterrorist training to our allies. Over 18,000 individuals in 50 nations have been trained in counterterrorism over the past decade.

We are enhancing the capabilities of CTC and of other Intelligence Community elements with new counterterrorist initiatives launched during the past year. These initiatives were begun by DCI Deutch and benefited from additional resources the Congress provided at the outset of the current fiscal year. They touch upon each of the things we do in counterterrorism, including human and technical collection of intelligence, analysis, warning, and response.

For example, we have created a new Terrorism Warning Group whose sole mission is to make sure that civilian and military leaders are alerted to specific terrorist threats.

We have created additional all-source analytical positions, to improve our in-depth understanding of terrorist groups.

We have expanded technical collection operations, so that we can stay ahead of the terrorists' own improvements in their communications and use of other technologies.

And, we are expanding our human intelligence operations, including a substantial increase in CIA operations officers working overseas against the terrorism problem.

The intelligence on terrorism that we provide to our sister agencies ranges from the warning information that I just mentioned to intelligence on the behavior of

state sponsors of terrorism. The latter supports the Department of State's diplomatic efforts to bring the policies of our allies toward certain state sponsors of terrorism into harmony with U.S. policy.

We also assess the capabilities—and the willingness, where that is an issue—of other states to combat terrorism.

And, we collect and assess information on terrorists' tactics and techniques—what they might use against us in any attack today, and what we are likely to face from them in the future.

In this regard, we work very closely with other agencies, such as the Secret Service and the Federal Aviation Administration, that are responsible for security countermeasures designed to protect specific individuals or facilities.

Let me put special emphasis on our support to law enforcement—particularly the FBI. Intelligence performs three important functions in assisting law enforcement agencies in applying the rule of law to international terrorists.

Intelligence on individual terrorists has, on numerous occasions, prevented a terrorist from reaching our shores—or, upon reaching it, has enabled the Immigration and Naturalization Service to stop the person.

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In all these activities, we are guided by one overarching strategic goal; to get at the terrorists' activities as early as possible in the cycle of terrorist planning and preparation. Ultimately, our goal must be to increase the President's options for dealing with terrorists—to provide not only the intelligence required to retaliate against them but also the intelligence needed to prevent and disrupt their operations before danger turns to disaster. Working in close partnership with our colleagues in law enforcement and other parts of the government, we are making steady progress on these goals.

Let me close with a simple statement that I'm sure summarizes the view of my colleagues here as accurately as it expresses mine: for those who would attack the United States or its people, there will be no guaranteed safe haven anywhere in the world.

Thank you, Mr. Chairman. I would be glad to discuss these topics in greater detail in executive session.

Chairman STEVENS. Thank you. Of course that is what we want to assure. Gentlemen, could we agree on a length of time? There are eight of us here, and I am sure that time is not unlimited. We want to go to our classified room before the afternoon is over. Can we agree on 5 minutes of questioning apiece before we withdraw? Would that be acceptable? Very well.

Let me just ask a couple of plain questions here. Madam Attorney General, do you believe we have adequate laws to deal with terrorism now? Are there any defects that you have found in our existing laws dealing with our ability to combat terrorism?

WORKING TECHNOLOGY

Ms. RENO. There are some suggestions that can be made, and we will be happy to furnish those to you. I think the major effort that we have to undertake is to make sure that we have the expertise

in technology, and with respect to weapons of mass destruction; that we are able to match wits with the best of the terrorists; that we constantly work with this committee to ensure that we have the necessary equipment—and you have been just superb in supporting us in that effort; that we understand the threats against our information infrastructure and understand what the computer and cyber tools, if you will, can do. This effort is going to require a close coordination with this committee.

COMMUNICATIONS ASSISTANCE FOR LAW ENFORCEMENT ACTIVITY [CALEA]

We have got to maintain our ability to pursue electronic surveillance according to the prescribed constitutional standards that we now adhere to, but we have got to have the wherewithal to keep up, through the funding of CALEA, with the development in technology and to adjust our technology to these new developments. We are going to have to be able to deal with the issue of encryption, and obviously that will be a major issue before Congress. These are some of the points that I think are important. Director Freeh might want to add more.

Mr. FREEH. I think the overall statutory authorities are very strong and give the FBI the capability that we need. I would simply echo what the Attorney General has said. Fifty-nine percent of all of the Federal wiretap orders relate to national security, either counterterrorism or foreign counterintelligence. In other words, 59 percent of the wiretaps, Federal wiretaps that are authorized, relate to national security. Without that capability and coverage, we would be out of the counterterrorism and counterintelligence business, as far as I am concerned.

The CALEA funding is critical. The Congress supported that in 1994. We have asked for additional funding for 1998. We are going to have to deal with the encryption problem. It is a commercial issue. It is also a public safety issue. It is a difficult issue. We have had several hearings on it, but this year by all indications the Congress is going to act on that. If we write law enforcement and national security out of the encryption legislation, our job will be made very difficult and quite dangerous.

COURTS

Chairman STEVENS. Do you believe that we need to address the question of the courts? Are we going to require separate courts to deal with the terrorist problem as it increases?

Ms. RENO. I do not think you will require separate courts, other than as we have addressed it through the alien removal court that was authorized by Congress and that we are in the process of implementing. It is comparable to the FISA court, but I do not think that you will, in the foreseeable future, need separate courts to address the issue of prosecutions of terrorists.

Chairman STEVENS. I will keep the rest of my questions until we have the classified section.

Senator Gregg.

Senator GREGG. I would like to preface my questions with a comment. First, I want to thank the chairman again, and second I want to thank the agencies for aggressively pursuing the terrorism

threat. But the issue remains, are we doing enough and are we well enough coordinated? My question is, to you as a group, how is it coordinated? We have got two functioning counterterrorism centers, one at FBI, one at CIA. We have literally thousands of different sources of information, and we have at least four major agencies that have significant turf responsibility here: State, Defense, Justice, and CIA. My sense is that although there is a lot of work toward coordination at the very most senior levels, but at the lower levels, there is not necessarily a constant interface for coordination.

For example, Attorney General, I wonder when was the last time that the President convened the four major agencies to discuss the terrorism threat, and whether we are doing enough? My question, therefore, is how is coordination proceeding now, and is there a need for further coordination, not for the purposes of addressing a threat which has occurred—I believe we are doing well in that area to the extent that you can do well in that area—but for the purposes of addressing potential threats, such as the Director just mentioned in his comments?

COORDINATION AND COOPERATION

Ms. RENO. Based on PDD–39, I think that there is excellent coordination underway. I would like to just take you through some of the steps that have been developed. You make the reference to the fact that there are two counterterrorism centers, but I would let both Director Freeh and Director Tenet address that issue. I think, from my discussions with them and with former Director Deutch, that this has, in fact, strengthened our capacity to detect vulnerabilities and to prevent terrorist acts before they occur. By the CIA's efforts abroad and the FBI's efforts here, we are able to interrelate these and bring them together. I think it has been an excellent example of the cooperation that is engaged in, not just in talk but in actual day-to-day fact. The fact that the FBI now has its Domestic Terrorism Center up and running with 16 agencies there, not just the 4, because critical to this cooperative effort is the Department of Defense with respect to weapons of mass destruction. That is underway.

What we are trying to do is reach out, both internationally by marrying the two centers so that we ensure that we have linked any information that is relevant, but we are also trying to reach out to State and local law enforcement across the country in a comprehensive way to make sure that we get from them leads and tips and issues that should be pursued, and that it is again meshed. I think the Domestic Terrorism Center is doing a really good job of building that capacity.

At the same time, we have the issue that I have addressed before and that you have been very responsive to, which is the CITAC, which goes to the issue of computer crime and how we coordinate in that area. We have much to do in that area. The whole issue with respect to cyber crime staggers the imagination. When you look at our commercial systems that are now computerized—telecommunications, transportation, banking, and finance, the whole system with respect to gas and oil structures, we have got so much to do in terms of developing the capacity with the private sector to

prevent attack by identifying vulnerabilities and working as a partner with the private sector. That is why it is so important that we support the President's Commission on Critical Infrastructure Protection, because that Commission reaches out to the private sector as a critical player in this whole effort, to make sure that we are linked together in what we do to identify the vulnerability and what we do to prevent the attack.

These are some of the efforts, but then we have developed—and I think again both the FBI and the CIA have a threat warning system that permits the CIA to provide appropriate threat warnings for international concerns and the FBI to provide appropriate threat warnings for domestic concerns. I think that is working.

Again, we are constantly trying to identify areas of weakness and build on it, and we would like to work with you in that regard, should you detect any.

With respect to our response, you mentioned that we respond fairly well, but we are constantly trying to work on that to make sure that we are coordinated. The State Department has jurisdiction abroad for the response to a terrorist act affecting a U.S. citizen. The FBI has it domestically. We have developed FEST, which is the foreign emergency support team, that responds immediately, such as occurred earlier this year, and then we also have the domestic emergency support team that, for example, responded in Atlanta prior to the Olympics to prepare in a coordinated way with all of the agencies involved to address the problem before it happens, and will be responding in other areas where there are events or matters that are important and present possible vulnerabilities.

With respect to training, we are doing so much with the Department of Defense in trying to develop coordinated training with respect to threats of weapons of mass destruction, again working with State and local officials. Later on Director Freeh, I think, can give you more details.

So I see great coordination underway, not just in talk and in concept, but also in actual day-to-day operations, and we have got to work even harder at it.

Senator GREGG. Director Tenet.

CUSTOMERS

Mr. TENET. Senator, one of the things I would say in response is the Department of Justice, the FBI, the Department of State, the Department of Defense are our customers. We have a responsibility to articulate threats to our customers, particularly overseas. In the aftermath of Khobar Towers one of the things we have found is, you are correct, there are thousands of strands of information that come to us. What we have focused on is articulating and sending back out that pipe the information in a way that a commander on the ground can differentiate between information that is actionable and that which is not actionable. There are real instances in the last 6 months of either our cooperation with the Department of State or the FBI where we have averted bombs at two American Embassies at locations overseas.

So this cooperation is, I think, quite vigorous, and the interaction of the policymaker with us is also quite vigorous. This community, this counterterrorism community is as well organized as any com-

munity as exists in our Government in terms of both the policy coordination and the action that flows from it. So in supporting these customers, they all have different needs. My job is to ensure that when we get this information it is packaged and disseminated in a way that they understand its importance and its relevance and they can act to do something about it, otherwise it is not very relevant to them.

Chairman STEVENS. Senator Campbell.

Senator CAMPBELL. Thanks, Mr. Chairman. Just maybe a couple of quick ones. I just day before yesterday visited Colorado Springs where a fire had been set to the IRS office. It was in a public building. There were a lot of other rentals in the building too, real estate agencies, a couple of computer companies all in the same building. I was wondering if you could give me just your insight on how we better protect Federal buildings if they are not all Federal in scope. If we make it, like we do here, with electronic devices before you can go in and out the door, that would certainly inconvenience all the other tenants. How should we handle that?

SECURITY MEASURES

Ms. RENO. Following the events in Oklahoma City in April 1995, we convened a group to assess the vulnerability of Federal structures and made recommendations to the President. He created a group to follow through on our recommendations and, as I understand it, they have made a report. I will be happy to provide the materials to you. There will be follow up now with regard to Federal agencies that are in buildings with other agencies, with other private sector agencies and where the Federal Government is not the principal tenant of the building. With respect to those buildings where the Government is the principal tenant or GSA owns it, we have tried to follow through in terms of improving security in those structures, and we will continue to work with the President's group to follow through.

Senator CAMPBELL. If you could provide at least me, or maybe the rest of the committee would like to see that, but I certainly would.

My second question, Mr. Chairman, is maybe rather rhetorical, but I would like your view on it. If I, as a private citizen, encourage somebody, incited them to violence against a Federal agency or a Federal official, then I guess I also could be charged with a crime for inciting them to commit a crime. Is that right?

Ms. RENO. Generally that would be true, but you have got to be very careful in terms of hypotheticals as to the what ifs.

Senator CAMPBELL. Well, I am thinking, you know, individuals to my knowledge can be held accountable if they encourage terrorism or if they advocate it and a crime happens because of it. If I went down and bought some ad space on a local radio show and I encouraged people to go commit an act of violence, I suppose I could probably be held accountable for that too. But if a radio show encourages violence themselves, apparently they cannot. I know that there is a first amendment right involved in there, and it is a hypothetical and all that, but I would like your views on that.

I am thinking of one—this is not really an act of violence, it was a random crime. The man that shot up the White House the year

before last, Duran, he had called our office before he did that and indicated he was going to do something very similar to that. We got a whole bunch of calls that same morning from people who were mad at Government and were really venting their frustrations, so we did not take it too seriously because we got so many calls. Probably every Senator here has got calls in his office from people who are angry at Government and they are going to get their guns and protect themselves and they are not going to let the new world order take over, and so on. This guy did it because he was encouraged by a radio show he had heard. I know that some radio shows have even used the words they should go out and shoot a fed right between the eyes, that kind of thing, but under our system they are pretty well absolved, are they not, because it is a first amendment right, even if they encourage those acts?

Ms. RENO. Again, to aid and abet terrorism would be against the law. You would have to look at each case on a case-by-case basis. I would ask Director Freeh to suggest how the FBI would respond.

PROSECUTION OF CRIMES

Mr. FREEH. A crime can certainly be predicated and prosecuted if it filled all the necessary elements. The blind sheik, Sheik Rahman, as you recall, was convicted for, among other things, solicitation of criminal sedition. It is an old statute but one which certainly has viability. There was an individual from Afghanistan, who encouraged, announced, and stated, as he has on previous occasions, that military targets in Saudi Arabia should be and are targets for attack, and solicited people to perform those attacks against our military personnel. That probably meets all of the elements of a criminal offense, and one which we would look at and prosecute vigorously, as we have in other cases.

But it would depend on the circumstances. If someone is giving a speech or a radio announcer is going through a dialog which might be related to that, it does not mean that they are promoting criminal activity. However, you are not immunized from prosecution because you do it in a first amendment context. You cannot yell fire in a crowded theater. That is a crime. It would depend on the circumstances whether or not we would investigate and whether the Department of Justice would prosecute.

Senator CAMPBELL. You cannot yell fire in a theater, but you can recommend shooting Federal agents. Thanks, Mr. Chairman.

Chairman STEVENS. Thank you. Senator Bennett. We are following the early bird rule today.

Senator BENNETT. I thought Senator Hollings arrived before me.

Chairman STEVENS. Did he? No; I have kept track.

Senator BENNETT. Thank you, Mr. Chairman. The first issue that comes to mind for a Senator from Utah is clearly the Olympics scheduled in Utah in 2002. As good as we are, we are clearly not yet prepared in Utah in terms of our law enforcement and communications capability to handle the possibility of terrorists targeting the Olympics for maximum international exposure. So I want to thank you, Madam Attorney General, for your support in the past, and I hope by the thanks to stimulate continued support in the future, for Justice Department help in seeing that security issues are addressed at the Olympics. Mr. Chairman, we are going to come to

this committee for appropriations help because the Olympics are a clear target for people all over the world.

Would you have any comment on that and your attitude toward the Olympics?

OLYMPIC LESSONS LEARNED

Ms. RENO. Obviously we gained a great understanding of the different roles that can be played through our experience in Atlanta. We have already had representatives of the Department of Justice out in Utah meeting with people who are on the scene and developing long-range plans with the FBI and with the other appropriate Federal agencies to address the concerns that I think arise in a situation like that, and we look forward to working with everybody in that effort.

INTERNET EXCERPTS

Senator BENNETT. We would appreciate that, and do appreciate your past concern. Mr. Chairman, picking up on what the Senator from Colorado had to say, my office has taken off of the Internet information that is currently available. Let me read to you a few excerpts from this information targeting mink farms.

It says:

> Economic sabotage is what they listen to. There are various types of actions that are very simple, smashing windows, squirting super glue into the locks, spray painting, filling bell peppers or Christmas ornaments with paint and paint bombing the building. To be effective, a place should be hit repeatedly. Just be careful and vary your schedule so that the police are not waiting for you when you go back.

Next page:

> Fire is a tool. It can be your friend if you respect its power or your foe if you do not. Nothing does the amount of damage that fire can. Try doing $1 million damage with only hand tools. Arson also has no statute of limitations. It is a very serious crime. If you get caught you could spend the next several years in prison thinking about what went wrong. Be sure that you follow all the security precautions vigorously. Here is how to build a simple incendiary device that can be used for burning both buildings and vehicles, followed with very careful instructions. Tip, arson is a big time felony, so wear gloves and old clothes that you can throw away through the entire process, and be very careful not to leave a single shred of evidence.

It goes on and on. There is a section on electrically timed incendiary devices. The thing that concerns me the most is that at the end of this document, the following list of targets has been compiled from numerous different sources. The majority of the targets on this list are in my State. I am talking about the Animal Liberation Front that currently takes credit publicly for over 700 acts of violence against mink farmers and others involved in the legal fur trade. The Salt Lake newspapers have done a profile on this to describe how they attack these commercial enterprises and how they are starting to hire street gangs to do it for them so as to remove them one step away.

I would like to ask you, Director Freeh, do you see any difference between bombing a black church or bombing an abortion clinic or bombing a fur farming operation?

Mr. FREEH. No; I do not. I think anytime someone is achieving any perceived agenda with bombs and violence, they are clearly violating Federal laws as well as probably State and local laws.

Senator BENNETT. I would ask you, following up on what the Senator from Colorado raised on this issue of free speech, to plug into the Internet and see if there is not some indication that pretty clear terrorist activity is not only being encouraged but instructed with this kind of specifics as to how to build a fire bomb, where to place it for maximum damage, and so on, and then a list of targets as to where to go to find people that should be subjected to this kind of thing. I would hope the FBI would focus on that.

Mr. FREEH. Yes, Sir.

INTERNET

Ms. RENO. Senator, in that regard we have submitted a report as Congress has required with respect to such information on the Internet, and we would look forward to working with you in terms of legislation. I will ask that my staff brief you on whatever is appropriate for a briefing with respect to this matter.

Senator BENNETT. I thank you. I almost did not raise it in open session, keeping it for the closed session, because I do not want to give any more publicity to it than it has already had. But I decided that the people that would want it already have it, and maybe the best thing to do to combat it is to raise it in open session so that we can have this kind of cooperation.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF MADELINE ALBRIGHT

Chairman STEVENS. We would all welcome that information, Madam Attorney General. I state for the record that Secretary of State Madeline Albright has requested an opportunity to submit testimony for the record, and we would be pleased to receive her testimony. We are also willing to receive additional statements from those who are involved in the intelligence and law enforcement community with regard to this hearing.

[The statement follows:]

PREPARED STATEMENT OF MADELEINE ALBRIGHT, SECRETARY OF STATE, DEPARTMENT OF STATE

Mr. Chairman, Members of the Committee: Thank you for the opportunity to submit this Statement for the Record to provide a brief overview of U.S. policy toward international terrorism and the role of the Department of State in coordinating U.S. policy and activities to counter the threat.

Although my schedule does not permit me to testify in person today, I want to emphasize that the struggle against international terrorism is one of our government's top foreign policy priorities. Terrorism poses a dangerous threat to American citizens and to our interests in a safe and stable world. Terrorism is a threat that is not going to go away. We must continue our efforts to deter it, contain it and encourage other countries to do the same. Coordination within our government and coordination with other governments is a major part of this effort.

THE TERRORIST THREAT

The continuing threat was outlined to Congress on April 30 when the State Department released its annual survey of international terrorism. The publication, "Patterns of Global Terrorism: 1996" reports that terrorism abroad continues to impose a heavy human, political and economic toll on the foreign policy and security interests of the United States and many other nations.

Although the number of international terrorist attacks fell to 296 last year, compared with 440 in 1995, the death toll worldwide in 1996 rose to 311, compared with 177 in 1995. Twenty-four Americans were killed. This toll indicates a greater ruthlessness by terrorists and a growing pattern of inflicting mass casualties.

The threat of terrorism to American interests was demonstrated in the truck bombing of the Al Khobar apartment complex near Dhahran, Saudi Arabia, which killed 19 American airman, and suicide bombings in Tel Aviv and Jerusalem where the casualties included eight American citizens killed or injured.

Identifying, monitoring and defeating international terrorists is a more challenging task today because of their diverse character, organization, and motivations. In the past, established secular terrorist groups, revolutionaries, and state sponsors of terrorism were in the vanguard. Today, some states like Iran are still very active in terrorism, but involvement by other states has declined, because of growing international consensus against terrorism, in general, and, in the case of Libya, sanctions. Today's terrorists vary widely from relatively established extremist groups such as HAMAS and the Palestinian Islamic Jihad, to cultist, such as the Aum Shinrikyo in Japan and apparently ad hoc groups such as the one that attacked the World Trade Center.

Terrorists also have increasing access to powerful explosives and weapons and are using technology such as computers, cellular phones and encryption. The threat of use of weapons of mass destruction, chemical, biological or nuclear, by terrorists is another problem. We are taking extensive measures to detect and deter such threats.

U.S. POLICIES

To deal effectively with the variety of terrorist threats, U.S. counterterrorism efforts abroad are grounded on these basic policies:

—We make no concessions to terrorist demands, recognizing that to do so only invites further terrorism.

—We are determined to seek out relentlessly and punish terrorists wherever they may be, using the combined assets of U.S. law enforcement, diplomacy, intelligence, and, if necessary, our military assets. We have a long memory and reach when it comes to terrorists who attack Americans.

—We insist that terrorism is a crime, whatever its motives or causes, and we promote the rule of law to criminalize it and bring terrorists to justice.

—We designate states which sponsor terrorism, imposing a wide range of U.S. sanctions against them. And we encourage other nations to do the same.

—We seek maximum cooperation from other governments, recognizing that, as terrorism is increasingly transnational, international cooperation is critical.

COORDINATED INTERAGENCY PROCESS

Effective counterterrorism calls for the skills and resources of many U.S. Government agencies. Coordination is essential. The President has designated the Department of State, in keeping with its foreign policy responsibilities, as the lead agency for coordination of our counterterrorism policy and operations abroad. The FBI has been designated as the lead agency for countering terrorism in the United States.

When international terrorist crises arise, an emergency response team, led by S/CT and including crisis management experts from various agencies, as needed, can be deployed promptly anywhere in the world. The team's job is to respond to requests from the U.S. Ambassador on the scene and the host government for advice and assistance in resolving the crisis. Flexibility and responsiveness are the watchwords of this team.

The Department of State and other agencies also participate in counterterrorism exercises—sometimes with friendly states abroad—that are critical for maintaining readiness to meet new threats. They range from "table top" simulations to actual deployments. Scenarios include terrorist hostage taking, hijackings, and threats or attacks involving weapons of mass destruction.

The Departments of State and Justice and the FBI work closely together on law enforcement aspects of counterterrorism abroad, and with foreign governments concerned—for example, when the FBI investigates terrorist crimes against U.S. interests abroad and in cases involving the apprehension and extradition of terrorists overseas to bring them to trial in the United States. Close coordination between our Ambassadors and host governments abroad, rapid reaction, and intricate planning are critical to success in such operations.

The strengthening of international law and increased adherence to the ten international conventions on terrorism, and expanding extradition treaties have also enhanced our efforts against international terrorism. The U.S. has led the way in ratifying and bringing into effect these conventions.

The U.S. initiative in the Group of Eight last year led to the introduction of a new draft treaty on Suppression of Terrorist Bombing that is now being negotiated at the U.N.

STATE SPONSORS OF TERRORISM, CONSULTATIONS

Identifying state sponsors of terrorism, enforcing U.S. sanctions against them, and attempting to mobilize allied support are important weapons in our foreign policy arsenal. Iran, Iraq, Libya, Sudan, Syria, North Korea and Cuba have been designated by the Secretary of State as state sponsors. Of these, Iran is the most flagrant violator, and we have imposed a variety of comprehensive sanctions to change Iranian behavior. We are also active in working with other states to ensure strict compliance with United Nations sanctions against Libya, Sudan and Iraq. In the case of Libya, for example we are determined to bring to justice, in a Scottish or U.S. court, as mandated by the Security Council, the Libyan government agents who have been indicted for the bombing of Pan American flight 103 in 1988.

State also organizes regular bilateral consultations with foreign governments worldwide. Justice, FBI, the intelligence community and DOD form part of the interagency U.S. Government team which meets with its overseas counterparts, as we are doing in Spain and Italy this week.

There also are increasing multilateral efforts to combat terrorism. We have worked in the Group of Seven, plus Russia, for example, to tighten cooperation among the major industrial states. The twenty-five counterterrorism recommendations of the G–7/P–8 Ministerial held in Paris last July are a solid basis for international cooperation. The United States plans to give this effort further momentum at the Summit we will host in Denver in June.

We are also working with the European Union and the Organization of American States on counterterrorism cooperation. A series of conferences last year included a meeting in March of counterterrorism experts from the Middle East, whose governments took part in the Sharm El Sheikh Summit.

The State Department meanwhile supports efforts of Treasury, FBI and Justice to combat fundraising by foreign terrorist organizations in the U.S. and to encourage other governments to take steps against terrorism fund raising. These efforts are discussed in many of our bilateral meetings.

RESEARCH AND DEVELOPMENT

We know of members' concerns about the threat of terrorism from biological, chemical and nuclear agents and we share that concern. Improved technology is an important tool for countering these as well as more conventional terrorist threats. The U.S. Government has a Technical Support Working Group, known as the TSWG which is comprised of 50 government agencies and operates a vigorous program of research, development, and rapid prototyping of antiterrorism and counterterrorism technologies.

The goal of the TSWG is to develop new technologies which can be used by many federal, state and local agencies. There is special emphasis on explosives detection technology and a strong focus on detection of and protection against terrorist use of materials of mass destruction. The Department of State, through S/CT, provides policy guidance for the TSWG program, and the Department of Defense is the executive agent. Both agencies also provide funding. State also leads three bilateral R&D programs with Canada, the United Kingdom and Israel. They also contribute funds and expertise, thus creating a strong multiplier effect for the U.S. Government's investment.

OTHER COUNTERTERRORISM ACTIVITIES OF THE DEPARTMENT OF STATE

Within the Department of State, other bureaus also play important roles and work with other agencies:

The Bureau of Intelligence and Research (INR) is part of the intelligence community and provides timely, around the clock, intelligence and analysis on terrorism. INR also compiles and maintains our computerized TIPOFF system, an important border control mechanism which links visa sections at our missions abroad to a master data base of names of terrorists, criminals and drug traffickers.

The Bureau of Consular Affairs, charged with the protection of Americans overseas, works closely with S/CT and the Bureau of Diplomatic Security to provide warnings to Americans overseas about terrorist and other risks.

The Office of the Legal Adviser provides daily guidance on all legal aspects of counterterrorism, treaties and extradition issues and works closely with the Department of Justice and the FBI.

Finally, the Bureau of Diplomatic Security has the role of protecting U.S. missions and diplomats overseas and in the United States. It also implements State's Antiterrorism Training Assistance (ATA) Program which has trained about 18,000

foreign officials, and the State Department's terrorism information rewards program.

In sum, there is an aggressive, coherent, well coordinated interagency effort under the leadership of the Department of State to combat international terrorism and mobilize support from other nations abroad in this campaign.

But good counterterrorism policies and programs cannot do this job alone. The United States also needs to maintain its leadership in dealing with a host of problems and conflicts abroad that, if neglected, can lead to terrorism, other forms of violence, and even war. We must continue to foster strong relationships with nations around the world, whose help we need to pursue terrorists. We cannot do this alone.

Preserving the leadership of the United States in dealing with a broad range of threats to our national security also requires adequate resources for Foreign Affairs.

The United States has a proud record of leadership in combating international terrorism. We are determined to maintain and strengthen our capabilities against the dynamic and varied threat, to keep terrorists on the defensive, where they belong, to bring them to justice, and to minimize the risk they pose to civil society.

Chairman STEVENS. Senator Hollings.

Senator HOLLINGS. I thank you, Mr. Chairman, and I thank the chairman of our subcommittee, Senator Gregg. In the subcommittee and under Senator Gregg's leadership, we have increased the budget for terrorism in the last 4 years some 400 percent. We have gone from $90 million to $397 million. So counterterrorism has not been wanting of money in that sense. But on the other hand, Director Tenet now says that the most secretive of targets is terrorism, and all three witnesses here agree that there is superb coordination.

I have a question for you, General Reno, specifically since you represent the Immigration Service and they are not at the table. If you go to 22d Street in New York City, they have these five, six story buildings that are full of these stores, block upon blocks of stores, where counterfeit goods for terrorism activities are sold. The profits are used to finance Hamas, Hizballah, and other terrorist activities. Now, the FBI was good enough to take my staff there with some of New York's finest, and, of course, the obvious question was since we were told that they were mostly illegal aliens in all of these operations, why did the Immigration Service not come around and arrest them? Let me ask you that question, Attorney General Reno. What is the matter? If you are all so coordinated and so secretive, why is this going on in the wide open on 22d Street? Go on up there this afternoon.

MULTIPLE AGENCY COORDINATION

Ms. RENO. With respect to the coordination between the INS and the FBI and known terrorists, I cannot, while we are in open session, describe it in very specific detail, but I can tell you that there has been effective coordination. Director Freeh and Commissioner Meisner and I have discussed it.

With respect to the deportation of illegal aliens, what we are trying to do with respect to immigration strategy is to focus on illegal immigration and prevent it at the border. This committee has been very supportive in terms of the initiative with respect to the Border Patrol and immigration inspectors on the border. At the same time we are focused on the deportation of criminal aliens from State prisons, from Federal prisons, but as well we are trying to develop, with the resources as you are giving them to us, the capacity for immigration investigators and inspectors in local areas to work

with the police in identifying illegal aliens who are engaged in criminal activity. It may be that the police do not have sufficient information with which to charge them, but it is our hope that we can develop, as we gain the resources, the capacity to identify them sufficient to deport them.

Senator HOLLINGS. But the FBI is pointing them out. Here is where the terrorists make their money, here is where they finance terrorism. Look at all of the buildings there, block upon block of these buildings, and most of them are illegal aliens, we were told. In fact when the staff went there, everything immediately closed up. I mean, they pled guilty. So there is no doubt in my mind that the information we received from the FBI was correct, and it is not so secretive, George. I would say it is wide open, and I think we have to get onto these things.

Now, another concern I have regarding your coordination is that I think there is a misplaced coordination with respect to our overseas operations. In my experience, and I started with the agency back in the fifties, you do not have any CIA agents running around in full cover overseas saying I am a CIA agent, do you? No, sir. That is right. Because it is quite obvious as a matter of foreign policy that other countries would resent the idea that you had openly tried to spy or obtain information, especially with respect to law enforcement. It is not coordination that the Director of the CIA and the Director of the FBI are having between themselves, but it is coordination with the host country.

Right to the point, with the President in Mexico now, I would not count on a Mexican agent coming up here to enforce the law on drugs, and why should Mexico in turn count on any DEA agents or others running around Mexico enforcing laws? It would make them look like a second-rate country, and it reflects the arrogance of the United States. I happen to agree with Mexico on that point. And because you are asking for more money, and this is the subcommittee that Senator Gregg and I have, we are going to resist paying for thousands more agents going overseas. I can understand Saudi Arabia saying look here, we will enforce our own laws. Every country says that.

So let us get right to the point—we love the coordination between the departments, but the primary function of intelligence gathering overseas is going to be with the Central Intelligence Agency, not with FBI agents running around. Can an FBI agent run around with a gun in Paris?

Ms. RENO. Senator——

Senator HOLLINGS. Yes, Ma'am.

INTELLIGENCE COLLECTION

Ms. RENO. The prime responsibility for intelligence collection overseas will be that of the CIA. But the CIA is not trained to collect information that can be admissible in our courts, and we are faced—when you just hear the dissertation on what the Internet can do in terms of bombs and everything else, we are faced with a world where borders are shrinking and, because of cyber tools, the borders are nonexistent. We see through, organized crime and through international crime of so many different sorts, the impact of crime felt round the world. When a man can sit in his kitchen

in St. Petersburg, Russia, and steal by his computer from a bank in New York City, we have got to have a law enforcement capacity that can make sure that those people are apprehended.

Senator HOLLINGS. In St. Petersburg—is that your point? We should have an FBI officer there in St. Petersburg? Let us say he is standing right in the room and what you say just has occurred. He has used his computer illegally to mess up bank accounts at Chase Manhattan, so that is a crime.

Ms. RENO. We have found——

Senator HOLLINGS. And you think that we should have an FBI agent there to arrest him?

Ms. RENO. No; I do not think we should have an FBI agent there to arrest the man.

Senator HOLLINGS. I am talking about stationing—you see, you do not have the Secretary of State here at this hearing. The State Department has the primary responsibility for terrorism overseas. Period. I am trying to get that coordination clarified, because it goes right to the heart of the foreign policy of the United States. We are trying to make friends. We are trying to hold some alliances together, but we are not going to do it if we have that FBI agent roaming around in St. Petersburg looking for crime.

Ms. RENO. I do not suggest that an FBI agent should be in St. Petersburg roaming around looking for crime. What we have determined through the investigation of such crimes is that we need the capacity to coordinate with foreign law enforcement to develop the evidence——

Senator HOLLINGS. Ah, now you are getting with the program. With foreign law enforcement. That is my point.

EVIDENCE DEVELOPMENT

Ms. RENO [continuing]. To develop the evidence, and to do it in a procedure that can result in somebody being held accountable. With respect to foreign terrorism against U.S. officials, the State Department has the lead, but in the system devised by PDD–39 it is still the FBI that is responsible for trying to develop the evidence that can result in indictments being returned in the appropriate venue in this country and these people being brought to justice.

I think you were here when I gave some description of what can happen. It may take us some time to bring them to justice, but we can get them extradited, brought to this country, tried, when they harm or commit terrorist acts against U.S. interests abroad.

Senator HOLLINGS. I know the rationale. Madam Attorney General, are you requesting additional FBI agents for overseas assignment?

Ms. RENO. Not at this point, sir. You have funded us, and you have been very generous in your funding. Senator, I think you have approved the plan. Let me have Director Freeh clarify it.

Mr. FREEH. Senator, the eight offices that we seek to open over the next 2 years are offices which were approved by the two committees in the FBI's 5-year plan which you asked for and which we submitted. This plan has the support of the State Department I would add.

Senator HOLLINGS. I understand. We can get into it in closed session.

Chairman STEVENS. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman. Ms. Reno or Director Freeh, does our, or does your traditional definition of terrorism include such things as computer attacks intended to damage our telecommunications or transportation infrastructure? Director Freeh?

Mr. FREEH. Yes, sir, it clearly would.

Senator SHELBY. That is included?

Mr. FREEH. That is included. Any threat against the national security, particularly one directed by a foreign agent or a foreign power, would clearly be in the category of terrorism.

Senator SHELBY. What about a terrorist group that is an ad hoc group that is not part of, as far as we know—it would still be covered?

Mr. FREEH. We would define that as an act of terrorism. Yes, sir.

Senator SHELBY. So you have the legal structure to deal with this?

Mr. FREEH. Yes; both to investigate it and to prosecute it.

Senator SHELBY. Mr. Freeh and Mr. Tenet, in order to adequately address the security problems that we are having around the world, what are we doing about language specialists who speak Arabic and Farsi and so forth? We got into some of this with Mr. Tenet the other day in the Intelligence Committee, but I would just like to know about the FBI.

TRANSLATION CENTERS

Mr. FREEH. One of the initiatives which was funded by this Congress and particularly this committee for 1997 was the establishment of translation centers. We have one now which has been established in New York City. We are recruiting and testing, and subjecting to background interviews, people who will staff this center. We have about 300 of the 385 linguists on board filling those positions. We borrow linguist very heavily from the Department of Defense, who have been very generous in giving us coverage, particularly with those who speak Farsi and some of the more difficult languages.

Senator SHELBY. Is this adequate at this point, or are you going to always continue to strive to get more language specialists?

Mr. FREEH. When we fill all these positions, we feel that with the supplements that we get from the military, as well as other contract linguists, we will have enough people to do our job, but I see it increasing over the next few years.

Senator SHELBY. Mr. Tenet.

Mr. TENET. Senator, as you know, we have talked about this at the Intelligence Committee, but with regard to our hard targets we are placing an enormous emphasis on language development and capability. We will not be able to provide the analytical or operational expertise required unless we go down this road, and we are going to embark on a major 10-year program.

Senator SHELBY. Is this not a change of some degree from what you needed in the past?

Mr. TENET. Well, Senator, I think it is fair to say that it is, but it is not just this target that requires it.

Senator SHELBY. It is all over, is it not?

Mr. TENET. It is the kind of difficult issues we face around the world that require this language capability, so it will be a major initiative.

Senator SHELBY. Are you making progress there?

Mr. TENET. Well, Senator, it is slow. You do not get people up to level 3 or level 4 language capability over night. You have to also do the work every day as well, so it will be a long-term project on our part.

TERRORIST THREAT

Senator SHELBY. Ms. Reno, dealing with the terrorist threat and organizations, some are state sponsored, or at least we have reason to believe that they are, and some of them are ad hoc groups that are hard to probably totally connect them to a state-sponsor group. Do these ad hoc groups constitute a greater or a lesser threat, or is there any way to measure that?

Ms. RENO. I think Director Freeh can address that. I look at them all as threats.

Mr. FREEH. I think it varies in scope. If Syria or Iran hypothetically are sponsoring an attack against the United States, they bring huge resources, operational resources, and capabilities that a smaller group would not have. On the other hand, a small group, as we saw in the World Trade Center bombing, acting, as far as the evidence revealed, without any foreign state sponsorship, was able to mount enough resources covertly to almost topple one of the Trade towers. So I think it would vary from situation to situation.

Senator SHELBY. Could we expect in the future perhaps more ad hoc groups rather than just rogue nations? I know you will have some of both sponsoring this directly and indirectly.

Mr. FREEH. It certainly appears to be the trend. Of the seven nations who we have identified as sponsors of terrorism, some are more active than the others. With respect to many of these groups, even groups such as Hamas and Hizballah which operate with foreign state support, there are many, many groups and I see them proliferating and perhaps becoming a greater threat than the organized state sponsors themselves.

Senator SHELBY. But it is a heck of a threat, whoever sponsors it, is it not?

Mr. FREEH. Yes.

Senator SHELBY. It is just how you compete with it.

Mr. FREEH. Absolutely.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman STEVENS. Senator Reid.

INTEGRATED FORCE TRAINING

Senator REID. Thank you, Mr. Chairman. As our military forces have learned, integrated force training in realistic environments is the best preparation for operational deployment. We have also learned that investments in realistic training have been returned many times over through these operational savings in costs and in lives. So counterterrorism training, I think, defines operational environments that are also difficult to meet. We have a large facility in Nevada that is larger than a number of the States in the Union that is called the Nevada test site. The Nevada test site, you know,

you can set off high explosives there, have chemical testing facilities that are operational there, there are tunnels, buildings that have been developed over the years. It seems to me it provides a secure environment for classified or clandestine training, but also it has open areas for nonclassified exercises.

You may not want to answer this here, you might want to wait until our next meeting, but I am wondering why there is not more done there. We hear a lot of stuff being done in offices, but there is not a lot of actual training that goes on in areas that I think we need to look at. I mean, we hear all the time about chemical weapons that are being placed underground in other countries. We do not know how to breach those facilities. Again, you may want to answer this later, but is there anything going on to consider using this vast area out there which is now underutilized?

Mr. FREEH. Senator, since 1994 we have had 35 governmental-wide counterterrorism exercises, mostly involving Federal agencies and almost always involving some State or local components. There are 25 exercises planned over the next year through 1998. I would be happy to explore and discuss with you specifically not only the site you refer to but other sites in terms of the advantages and disadvantages for training, but the exercises which are ongoing and have been ongoing are a central part of our preparedness, and I would certainly be happy to explore that with you in the other session.

ORGANIZED CRIME

Senator REID. In years gone by in the State of Nevada we have had experience with organized crime from various places around the country. Has there been any coordination between organized crime in the United States and any of these terrorist organizations?

Mr. FREEH. There have been indications of organized crime groups dealing with terrorist groups in very limited or specific matters, both traditional groups in the United States, Russian mafia groups more recently, and even some connection with the Italian traditional organized crime groups. But the connections have been very specific and not, in my view, suggestive of a combination of efforts.

Senator REID. Just hire them for a certain job is what you are saying?

Mr. FREEH. We have seen some intersections with equipment, weapons, and information.

Senator REID. Thank you, Mr. Chairman.

Chairman STEVENS. Thank you, Senator. Senator Specter.

DEFENSE BUDGET

Senator SPECTER. Thank you, Mr. Chairman. I commend you, Mr. Chairman, for this hearing. I thought when I came in it was Defense Appropriations Subcommittee, but it is not. I believe that terrorism really has become the form of war in our era, supplanting warfare. We have a defense budget today which is under $250 billion. We had a defense budget in the mideighties in excess of $310 billion, which would be about $400 billion today. What I wonder about is whether we are putting adequate resources into this war on terrorism. I see the President's budget request for the Depart-

ment of Justice counterterrorism is $417 million. That is a lot of money, and a lot of money has been added, but I wonder if it is significant.

My own view is that we are not doing nearly enough against terrorism, and that we are really winking at it. I would like to make a few observations and then ask two questions. Not much time within 5 minutes.

I am very distressed about what has happened with the investigation at Dhahran, where the reports which leak out of the Department of Defense suggest that nobody is at fault there, although the fence was 80 feet away and the car bombs were known to contain 12,000 pound bombs. And yet the Department of Defense is prosecuting a single woman for having a relationship with a man who represented himself as single. I do not know quite what investigation she is supposed to be.

And then we have the green light which Prime Minister Netanyahu said Arafat gave for the bombing in Israel on March 21, and the next day President Clinton comes out immediately and says Netanyahu is wrong and Arafat is a man of peace, and I have asked the Secretary of State what the facts are, was there a green light.

And we see this fellow, Marzuk, who was held for almost 2 years in the detention center in New York, sent back to Jordan on a military jet. You wonder what we are doing about terrorism if Marzuk is let free because he is going to cause too much of a problem if he is prosecuted. I really never heard the likes of that. If I was to be concerned as DA of Philadelphia about trouble makers, I would not have prosecuted most of the people up in the criminal courts. We are just surrendering to terrorism when that happens.

We have a statement made by the deputy education minister, Moshe Pelad, that Arafat had prior knowledge of the bomb plot in the New York City's World Trade Center. I wrote to you, Attorney General Reno, about that, and got back a vacuous answer from a Mr. Andrew Floyce who says that they contacted Israeli intelligence and do not know anything about it. So I called up the deputy education minister, and he appears to have information that he is reluctant to talk about. If Arafat was involved in the Trade Center bombing, he could be extradited to the United States. We went to a lot of trouble in the mideighties to make extraterritorial jurisdiction a factor there.

The two questions that I have which I would like to address to the panel generally, I would be interested in Mr. Tenet and the Attorney General and Director Freeh, is are we devoting enough resources to fight terrorism? Human intelligence is woefully lacking in the CIA, something that we have all known about for a long period of time. What does it take? Because if we are devoting $500 million to terrorism, we are doing more than that, of course, when the CIA is added in, but nowhere near what our defense budget would be, are we doing enough?

And with the FBI, are we really able to handle all that has been given to the FBI? The FBI I think is a marvelous institution, and you, Director Freeh, I have said this to your face and I have said this behind your back and I have said it to the television cameras, I think you are doing a very good job. You have got a very tough

job, and there are a lot of problems over there, with the FBI files going to the White House and with what has happened with the Atlanta pipe bombing matter and what is happening at the laboratory, and as assistant DA I used to try cases and the FBI laboratory was sacrosanct. I think you are doing a good job, but how much can you do? Do you have enough resources? What does it take to really do the job?

Because I think that this committee would be prepared to give you what you need. Senator Stevens is used to appropriating $310 billion for defense when it is necessary. He was the chairman of the subcommittee, now he is the chairman of the full committee. He still is chairman of the subcommittee. OK, we will call you Mr. Chairman, Mr. Chairman.

The specific question I have for you is that just before coming to the hearing I got some information, Director Freeh, that this man, Hani Al Sayedh, Khobar Towers bombing suspect, is alleged to have snuck through INS in Boston, that he had an INS stamp on his passport before going to Canada—let me ask you that question specifically, Director Freeh, if there is any substance to that, before I pose the generalized question to the panel about what would it really take to have a successful war resource effort?

Mr. FREEH. With respect to your question on Mr. Sayedh, he transited Boston on the way to Canada. He did not enter the United States, did not pass immigration, but simply transited the airport and legally did not enter the United States from an immigration point of view.

Senator SPECTER. Well, I will pass on my source to you that there is supposed to be an INS stamp in his passport at Boston.

Mr. FREEH. I will follow that up, sir.

Senator SPECTER. I would be interested to know generally what it would take to really wage a successful war with humint and whatever we need to do it.

Chairman STEVENS. Senator, you may not know, we are going into a classified session in a minute. I think perhaps part of that is going to be answered on a confidential basis with the committee. You can ask the question if you would like, but I would prefer to explore that in the way we had planned.

Senator SPECTER. Well, Mr. Chairman, to the extent they can answer in an open session, I think it would be useful, because I think the American people need to know really what it takes, because my instinct is when they hear it from the Attorney General, the CIA Acting Director, and the FBI Director, they will appreciate knowing what it is.

Chairman STEVENS. Well, I agree with you, but I am not sure we want all those people out there to know how much we really are putting into it too, the ones that are not on our side.

Senator SPECTER. Well, that leaves it up to the witnesses.

COUNTERTERRORISM SUPPORT

Mr. FREEH. Senator, first of all I appreciate all of your remarks and your support, particularly in the counterterrorism area which goes back many, many years. We have grown in 3 years from a $93 million budget to a $243 million budget in counterterrorism. You and your colleagues were generous enough last year to give the FBI

1,264 new positions. We are hiring these people, we are training them, we are putting together both the human resources and the infrastructure to support the counterterrorism effort. We are in two or three times better condition in 1997 than we were in 1993 to undertake our counterterrorism mission. A mission which, as you point out, is a huge and growing one. We are in Saudi Arabia, we are taking fugitives back from Pakistan, we are in many, many places where we have not been, which is why we need our Legats. I am sorry Senator Hollings has left.

We are doing everything we can right now to absorb this vast increase in resources. I would rather absorb that growth before we start another huge influx of resources.

Senator SPECTER. We ought to give the money to the CIA instead?

Mr. FREEH. I am sure they could use some resources.

Mr. TENET. Senator, I would like to respond and just say I think we are already at war. We have been on a war footing for a number of years now. I do not think it is a question of money in our case, I think it is a question of focus, operational tempo, the aggressiveness with which we pursue this target. I do not have any doubt about the level of that effort today, and I would challenge your premise about the lack of human intelligence against the terrorist target. I think it is something we should talk about behind closed doors, because I think that effort is better than it has ever been, and growing. I think there are successes to prove it in some of the facts we have laid down in open session.

Chairman STEVENS. Let me call on Senator Cochran, and we will withdraw here after his 5 minutes are over to our designated room, which is room 124 just down the hall. Those people who are invited know who they are.

Senator Cochran.

STANDARDS AND GUIDELINES

Senator COCHRAN. Mr. Chairman, I just have two questions. One is the extent to which our Federal law enforcement agencies which are represented here today have what they consider to be a good working standard or guidelines for deciding when the Federal agencies should become actively involved, and when State and local law enforcement authorities can just as well do the job. This to me is a big challenge now. I know that the problem, or the challenge, has been made bigger by a hyperactive Congress passing a lot of laws and federalizing a lot of activity that might very well be more appropriately, more efficiently, even more effectively handled at the State and local level. That is not something that the Federal agencies like to admit or the Congress likes to acknowledge, but I think it is really one of the big problems we have now in trying to more clearly define the dichotomy or the separatism of the Federal-State relationships.

I started talking after I asked my question, and I should have stopped. What is the status right now of the Federal-State relationship, and when do you decide to get involved or not to get involved? You did not get involved, I do not think, in this recent Texas encounter, and the State government handled it very well, it seemed to me, maybe better than the Federal Government has handled

similar situations in the past. Have we learned from some of those past mistakes, or is this just an indication of restraint that was well advised?

Mr. FREEH. Senator, you cite a very, very good example, the Republic of Texas incident, which was handled very well by the State authorities. That was a circumstance where at the initiation of that event there was, first, no Federal violation that we were aware of. Second, the State authorities did ask for assistance, but very minimal assistance. We provided, during the course of that incident, hostage negotiators, technical assistance, photographic assistance, which is what the Texas authorities requested. There was no need, in the judgment of the Attorney General and myself, to intervene federally. That decision turned out to be a prudent course. I think we look at each situation on a case-by-case basis.

The Freemen situation in Montana was quite different. There were more people in the Freemen compound than the sheriff had on his law enforcement force. They asked for Federal intervention. There were clear Federal violations. There were Federal charges. It was a situation where the State authorities requested Federal assistance, and we determined it was appropriate to intervene.

But we have great confidence in our State and local partners. There are over 600,000 State and local officers around the country. But 50 percent of the police forces have under 10 sworn officers. It is in those particular areas where, with the addition of Federal charges, we can bring our resources to bear.

I think you have seen and will see restraint on our part. I think we have learned from past episodes, but we will not hesitate to intervene federally when it is appropriate to do so.

Senator COCHRAN. Madam Attorney General.

Ms. RENO. You are looking at a former State prosecutor that sometimes resented the Feds coming in and telling us what to do. So what we have tried to do, Director Freeh, the Director of the Marshals Service, Mr. Gonzales, and Administrator Constantine, and I have reached out to the U.S. attorneys and to the special agents in charge in the field saying we want to form a partnership with State and local law enforcement. There will be some things they do better, some things we do better, sometimes we need to give them information or provide them expertise or equipment. But we are not in this to claim credit, we are not in this for the turf. We are in it to see that it be done the right way consistent with what is in the best interest of the case and the best interest of the community.

I think it has been working, both in the examples that Director Freeh cites and in our whole effort against violence in this country. In many instances the State and local prosecutors will proceed with the case with information that we furnished them, because they can get as good a result. In other instances they will ask us to do it, but we try to consult with them and do it in a collegial way.

ENACTMENT OF LAWS

Senator COCHRAN. Thank you. My second question is related to the fact that we tend to pass laws creating Federal crimes out of State and local crimes. My question is how does this operate to take away funds, resources, attention from doing the things that is

the subject of this hearing today, which to me seems to be an overriding concern in many cases, and only the Federal agencies represented here are equipped and authorized to really handle?

We just saw the House, for instance, pass this juvenile justice reform bill. At first blush it seems to me to make Federal crimes out of juvenile crimes in areas where it is really arguably not necessary. But we are going to take a look at the bill and see whether or not it is a positive and constructive act to try to do something that should be done about juvenile justice, or whether it just adds another layer of illegality or prohibition at the Federal level that already exists at the State and local level that could better be handled there.

To what extent do you think you will be required to assign resources, people, and budget dollars that are hard to come by to this and have it taken away from antiterrorism activities?

Ms. RENO. The way we have tried to approach everything that we do when there is concurrent jurisdiction is to say who can do it best, and in many instances—and we consult with the State and locals in determining who can do it best, if they are equipped to do it—and we recognize that street crime and youth crime is basically a local function. There will be exceptions.

In the Indian country, we have got to address Federal laws to make sure that they are appropriately responsive in a balanced, thoughtful way to address issues of youth crime, because we have the primary responsibility. But with respect to most of this country what we say is we can do some things that the locals cannot do, and they are much more sensitive to so many of the issues and to many of the witnesses and the sources, and they have some advantages that we do not have. Let us work together.

If it is a crime that cuts across State jurisdictions so that we are the only ones that can bring the significant enough case to a result and a penalty that fits the crime, then let us do it, because it cuts across district lines. If it is something that is intensely local, let them do it. If it is one sheriff with a terrible crime and he has got two deputies and no expertise and says please, for heaven's sake, help me, this is a dangerous offender, and we have got jurisdiction, we want to work with him. But we want to do it consulting with the State and locals in a partnership to make sure that we do not duplicate resources, that we use it in the wisest way possible, and then what is in the best interest of solving the crime and of helping the community.

Senator COCHRAN. Thank you. Thanks, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Chairman STEVENS. Thank you very much. We have held this hearing ahead of the time we are called upon to make our allocations under the budget resolution we hope will be adopted soon. Any additional questions we have to ask will be submitted to them.

Thank you very much.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

FEDERAL BUREAU OF INVESTIGATION

QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

ILLEGAL FUNDRAISING

Question. Several years ago, this subcommittee put additional funding into the budget to enhance federal efforts to prevent illegal fundraising in the U.S. on behalf of organizations, such as the ill-famed Hamas organization, that support terror to undermine the Middle East peace process. The funding was intended to bolster efforts to promote greater enforcement of Executive order 12947, which is listed as "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process." How are you faring in efforts to crack down on illegal fundraising in this country?

Answer. The FBI works in concert with the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) to identify illegal fundraising activity in the United States. Where possible, the FBI contributes information of a criminal nature on illegal fundraising to OFAC for specific law enforcement action. We closely monitor international terrorist organizations in the United States through extensive investigation. The FBI utilizes all of its investigative authorities in our overall strategy to disrupt the criminal activities of international terrorist organizations in the United States.

Question. Are less funds being raised illegally in this country today than two years ago? Or more?

Answer. The majority of funds raised in the United States are for benevolent, charitable, and relief efforts to the needy. The FBI continues to focus on the diversion of such monies to support the military wings of terrorist organizations. The FBI cannot initiate an investigation on the premise of fund raising alone, unless criminal activity/intent is present. The FBI has intensified its investigative efforts directed at international terrorism groups to detect all criminal activities.

QUESTIONS SUBMITTED BY SENATOR HARRY REID

TERRORISM THREAT

Question. The threat of terrorism from weapons of mass destruction, particularly those associated with easily produced chemical or biological devices, has increased in recent years and is now a problem of world wide significance. Even so, the United States is still not obviously prepared to meet this threat. Please discuss the scope and status of national preparedness to respond to terrorism and its possible consequences.

Answer. Pursuant to the Defense Against Weapons of Mass Destruction Act of 1996, the National Security Council (NSC) was tasked to generate a report for the President to transmit to Congress that provides an assessment of the capabilities of the Federal Government to prevent and respond to domestic terrorist incidents involving Weapons of Mass Destruction (WMD), and to support State and local prevention and response efforts. The FBI, in coordination with Federal Emergency Management Agency (FEMA) and with input from other crisis/consequence management agencies, provided responses to Sections 1411, 1416 and 1443 of the Act. The President sent the Policy Functions/Operational Roles of Federal Agencies in Countering the Domestic Chemical/Biological Threat Report to Congress on January 21, 1997. This report describes the respective policy functions and operational roles of Federal agencies in countering the threat posed by the use or potential use of biological and chemical weapons of mass destruction.

Question. Studies and expert witnesses testify to lack of readiness on the part of first responders to manage the full spectrum of threats they might face in the event of a terrorist attack. Findings indicate the need for national training sites with facilities to support realistic training and exercises simulating attacks by weapons of mass destruction. The sites would presumably provide both urban and suburban environments with permitted releases of dangerous substances or their simulants. What is being done by the administration to define the facilities, areas, and requirements for realistic training and exercises? Is there a comprehensive national review of existing facilities that could be designated for this task?

Answer. Section 521(b)(2) of Public Law 104–132, the "Anti-Terrorism and Effective Death Penalty Act of 1996," states that "the President shall establish an interagency task force to determine the feasibility and advisability of establishing a facility that recreates both an urban and suburban environments in such a way as to permit the effective testing, training, and evaluation in such environments of gov-

ernment personnel who are responsible for responding to the use of chemical and biological weapons in the U.S."

When the Nunn-Lugar-Domenici legislation mandating first responder training was enacted, it was thought initially that the best approach to meet this need was through establishment of national training. However, after consultation with a group of expert first responders from the State and Local police and fire communities, the Department of Defense (DOD), the Department of Justice and the other members of the Senior Interagency Coordinating Group on Terrorism (SICG) have concluded that the concept of training first responders in 120 localities in the United States initially should focus on "training the trainers," with the ultimate goal of developing communities to a point where they can train themselves.

By October 1, 1997, the FBI will assist DOD in assessing the training needs of 27 cities, and will provide actual training and course materials to the trainers for 8 of these cities. These trainers will incorporate the materials into the training provided to the first responders from other communities. The training of the trainers for the other 19 cities will occur in fiscal year 1998. Assessments of the training needs of the other 91 cities will also be made in fiscal year 1998 and fiscal year 1999. Appropriate exercises will be conducted to test the effectiveness of such training. The FBI is also considering "distance learning" through multiple down link sites to train hundreds of responders at the same time in an interactive environment. The current concept of a national training center poses more questions than answers at this time. Thus, the concept needs much more work before the FBI and the Department of Justice can support it. The concept of a national training site remains an option. However, the apparent cost effectiveness of "training the trainers" either in their respective cities or possibly through "distance training" makes this approach a more desirable option to pursue at this time.

CONCLUSION OF HEARING

Chairman STEVENS. I believe that the rest of the questions we have to ask of these witnesses are matters that really touch and concern the national security of this country, therefore, we will move it to room 124 in this building, the Dirksen Building. It will be a classified hearing.

[Whereupon, at 3:32 p.m., Tuesday, May 13, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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