Mr. Chairman, Senator Feingold, thank you for

this opportunity to testify today on our counterterrorism policy toward

Sudan.

I have submitted a longer statement for the record. I will summarize

the policy and the Sudanese parts and leave off the sanctions.

Thank you.

Before commenting on Sudan specifically, I would like to briefly

provide the context by outlining several key elements of our overall

counterterrorism policy. They apply to Sudan and to other countries

on the terrorism list and to individual terrorists.

First, a fundamental principle of U.S. policy is to make no concessions

to terrorists. We have a longstanding policy of not giving

in to terrorists’ demands and not making concessions that would

reward terrorist actions, including payment of ransom for hostages.

Of course, we will use every appropriate resource to gain the safe

return of American citizens held hostage, but without making concessions.

These principles have guided our counterterrorism policy and actions

for many years. We urge other governments to follow these

principles, and we apply them in practice.

Second, we treat terrorists as criminals, consider their acts of violence

as crimes, and make every effort to apprehend international

terrorists who attack U.S. citizens or interests, so that they are

prosecuted according to the rule of law.

Third, regarding countries that support terrorists, we seek to

bring pressure on them to end their assistance by imposing a variety

of economic, diplomatic and political sanctions. Sudan was

brought under this sanctions regime in August 1993, when the Secretary

of State formally designated it as a country that has repeatedly

provided support to groups engaged in acts of international

terrorism. Sudan thus joined six countries already on the list: Iran,

Iraq, Libya, Syria, North Korea, and Cuba.

Sudan was designated under section 6(j) of the Export Administration

Act and related foreign assistance and arms control legislation,

because it provided—and continues to provide—safe haven to

terrorist groups, training facilities and a transit point for these

groups. Although we do not have information that Sudan provides

the level and type of assistance and active support for specific operations

as do some countries on the State sponsors list, the type of

hospitality Sudan grants to terrorist groups makes it easier for

them to maintain their viability, train and to carry out terrorist actions,

such as the June 1995 attack by Al-Gama’at al-Islamiyya

against President Mubarak in Addis Ababa.

Sudan harbors a number of terrorist groups. They include an old

line secular group, the Abu Nidal organization, but most of them

are militant Islamic extremist organizations. Among them are

Hamas, Hezbollah, the Palestinian Islamic Jihad, and Al-Gama’at

al-Islamiyya. The Sudanese Government also supports Islamic and

non-Islamic opposition groups in Algeria, Uganda, Tunisia, Ethiopia,

and Eritrea.

Sudan did take a positive step last year by expelling ex-Saudi

financier Osama bin Laden and expelling members of some terrorist

groups. However, Sudan has yet to comply with U.N. Security

Council Resolutions 1044, 1054 and 1070, which call on Sudan to

extradite to Ethiopia the three suspects in the June 1995 assassination

attempt against President Mubarak, and to end its support

for terrorism. Sudan has not cutoff its support for terrorist organizations

that continue to have a presence there.

The United States has the most stringent set of laws of any

country in imposing trade and other sanctions against State sponsors

of international terrorism. There are more than a dozen such

measures imposed against the seven countries designated by the

Secretary as State sponsors, including Sudan.

And here I will skip over the portion about the sanctions and just

conclude by saying that the United States believes that the Government

of Sudan, which is dominated by the National Islamic

Front, has not taken sufficient steps to stop its support for terrorist

extremist groups or expel them from its territory. Until Sudan ends

such support, it will remain on our State sponsors of terrorism list.

Mr. Chairman, that concludes my statement. Thank you.

Mr. Chairman:

Thank you for the opportunity to testify today on our counterterrorism policy toward

Sudan.

Before commenting on Sudan specifically, I would like to briefly provide a context

by outlining several key elements of our overall counterterrorism policy. They apply

to Sudan and other countries on the terrorism list, and to individual terrorists.

First, a fundamental principle of U.S. policy is to make no concessions to terrorists.

We have a long standing policy of not giving in to terrorists’ demands, and not

making concessions that would reward terrorist actions, including payment of ransom

for hostages. Of course we will use every appropriate resource to gain the safe

return of American citizens held hostage, but without making concessions.

These principles have guided our counterterrorism policy and actions for many

years. We urge other governments to follow these principles, and we apply them in

practice.

Second, we treat terrorists as criminals, consider their acts of violence as crimes,

and make every effort to apprehend international terrorists who attack U.S. citizens

or interests so that they are prosecuted according to the rule of law.

Third, regarding countries that support terrorists, we seek to bring pressure on

them to end their assistance by imposing a variety of economic, diplomatic and political

sanctions.

Sudan was brought under this sanctions regime in August, 1993, when the Secretary

of State formally designated it as a country that has repeatedly provided support

to groups engaged in acts of international terrorism. Sudan thus joined six

countries already on the list: Iran, Iraq, Libya, Syria, North Korea and Cuba.

Sudan was designated under section 6(j) of the Export Administration Act and related

Foreign Assistance and Arms Control legislation because it provided—and continues

to provide—safe haven to terrorist groups, training facilities, and a transit

point for these groups. Although we do not have information that Sudan provides

the level and type of assistance and active support for specific operations as so some

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groups makes it easier for them to maintain their viability, to train and to carry

out terrorist actions—such as the June 1995 attack by Al-Gama’at al-Islamiyya

against President Mubarak in Addis Ababa.

Sudan harbors a number of terrorist groups. They include an ‘‘old line’’ secular

group, the Abu Nidal Organization, but most of them are militant Islamic extremist

organizations. Among them are: HAMAS, the Lebanese Hizballah, the Palestinian

Islamic Jihad (PIJ) and Egypt’s Al-Gama’at al-Islamiyya. The Sudanese government

also supports Islamic and non-Islamic opposition groups in Algeria, Uganda, Tunisia,

Ethiopia and Eritrea.

Sudan did take a positive step last year by expelling ex-Saudi financier Osama

bin Laden and expelling members of some terrorist groups. However, Sudan has yet

to comply with the UN Security Council Resolutions 1044, 1054 and 1070 which call

on Sudan to extradite to Ethiopia the three suspects in the June 1995 assassination

attempt against Egyptian President Mubarak and end its support for terrorism.

Sudan has not cut off its support for terrorist organizations that continue to have

a presence there.

The United States has the most stringent set of laws of any country in imposing

trade and other sanctions against State sponsors of international terrorism. There

are more than a dozen such measures imposed against the seven countries designated

by the Secretary as State sponsors, including Sudan.

These measures include the Export Administration Act, which curbs the sale of

dual-use items that could enhance a designated country’s military capability or its

ability to support acts of terrorism, as well as provisions prohibiting economic assistance,

export of military equipment, and GSP trade treatment.

Furthermore, as noted on U.S. income tax forms, U.S. individuals and companies

are denied any foreign income tax credits for doing business in terrorist list countries.

Judging by the inquiries we receive from companies and law firms in the

course of a year, this seems to be a considerable disincentive to establishing a business

relationship with a country, such as Sudan, that has only a minimal trade with

the United States, about $30 million, each way.

Other sanctions which apply to Sudan and the other terrorist list governments include

using our voice and vote against loans or grants by international financial institutions.

In addition, U.S. laws also prohibit American economic assistance to governments

that provide economic aid or lethal military equipment to Sudan and

other governments on the terrorism list. We have been monitoring whether there

is any such assistance to Sudan and if we find such cases we will take appropriate

action.

These measures are aimed at the potential pressure points of State supporters of

terrorism: foreign assistance, international loans and items which might have military

use. The combined weight of these measures imposes severe limits on the U.S.

relationship with Sudan and are designed to persuade Sudan to change its behavior

in supporting terrorists. Already our trade relationship with Sudan is relatively

minor; we mainly import gum arabic, which is used to provide the backing for

stamps and post-it notes.

With these economic sanctions as a background, we have continued our efforts to

put political and other pressures on Sudan. One arena, as I mentioned, is in the

United Nations. But we also work bilaterally, both in our contacts with Sudan and

with other governments that have relations with Sudan, to persuade the Sudanese

leadership to end their support for terrorism.

The United States believes that the Government of Sudan, which is dominated

by the National Islamic Front (NIF), has not taken sufficient steps to stop its support

for terrorist extremist groups or expel them from its territory. Until Sudan

ends such support, it will remain on our State sponsors of terrorism list.

Mr. Chairman, at this point, that concludes my overview and I would be pleased

to answer any questions you may have.

The Export Administration Act curbs the sale of

dual-use items that could enhance a designated country’s military

capability or its abilities to support acts of terrorism, as well as

provisions prohibiting economic assistance, export of military

equipment and GSP trade treatment. On our U.S. income tax

forms, U.S. individuals and companies are denied any foreign income

tax credits for doing business in terrorist list countries.

We have sanctions against Sudan and other terrorist list governments,

including using our voice and vote against loans or grants

by international financial institutions. We are prohibited from providing

American economic assistance to governments that provide

economic aid or lethal military equipment to designated State sponsors.

That is the character of our sanctions against all State sponsors.

Senator, my understanding of the distinction is

that it evolved because different countries were put on the list at

different times, under differing circumstances, and legislation in effect,

such as the Trading With the Enemy Act, at those times varied.

It is a historical fact. That is essentially what it is.

There is also, apart from the historical fact, if you look at the

question of Sudan, the character of the reasons why it was designated

as a State sponsor, that is, the support it gave to terrorist

organizations. If you compare that to why Iran is on the list, the

evidence we have against Libyan support for terrorism against U.S.

interests, what evidence we have against Iraq for its support of terrorism against U.S. interests, you make that kind of close look at

the evidence we have, there is a different kind of evidence, if you

will. They are all State sponsors. We condemn them all. That is

why they are on the list.

It is a grave judgment, and we take it very seriously and we follow

it up very seriously. But there is not the same kind of evidence,

as I said in my statement, we have regarding direct Sudanese Government

activity and sponsorship of terrorism, that we have

against the countries I mentioned.

We have discussed with the Sudanese and with

other governments on the list from time to time what is necessary

to get off the list, how you are removed, how these sanctions are

removed. The Sudanese, at various times, in our discussions with

them, in which we have pressed them very hard about this, have

expressed some interest in knowing what is necessary to do. I believe

this may be part of the reason that they have taken some tactical

steps. But we have not been satisfied.

Senator, let me offer a few comments.

There is another provision of the law that covers

the aspect of fundraising in the United States for terrorist groups

or terrorist acts or terrorist organizations outside the United

States.

I am trying to point out that if you look at the

issue of section 321 from the perspective of dealing with funds that

may come from State sponsors, or organizations in countries which

are State sponsors, to organized terrorist acts in the United States,

that is an aspect of the problem, not the entire problem.

Another part of the problem dealt with, if you look at the other

provisions of law, would cover opposite kinds of flows, and there

are, as I indicated earlier, a lot of other U.S. statutes concerning

State sponsors.

You have asked several times about what is the State Department’s

view about fighting terrorism. We are part of the U.S. Government

interagency team that deals with the problem of terrorism.

We do not have a separate State Department agenda regarding

terrorism. We have the same view as the rest of the U.S. Government.

Well, Senator, we have tried to explain our views

about section 321. I do want to add that the State Department conducts

a vigorous worldwide counterterrorism diplomacy campaign

in which we focus attention on all of the State sponsors with many

governments, and the State Department does this very actively.

Senator, I understand what you are saying.

Our understanding of the intent of the sponsor of

the legislation, according to a statement he made at the time of introducing

his amendment, was that it was to be used to deal with

a situation,

This is our understanding of the purpose of the sponsor’s amendment.

No, sir.