

## Between Words and Action: Gaps in U.S. Counter-Terrorism Policy

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### Brief Analysis

**T**he growing confrontation between the United Nations and Iraq focuses on American participation in U.N. weapons inspections. However, this crisis with a charter member of the State Department's list of state-sponsors of international terrorism can also be viewed through the prism of Washington's flagging efforts to contain rogue states, in which the fight against terrorism plays a central role. Since assuming office, President Clinton has identified international terrorism as one of the most important national security challenges facing the United States. To its credit, the Administration has taken several steps to address the problem, e.g., tracking down and arresting individual perpetrators of terrorist acts; signing into law the Iran-Libya Sanctions Act (ILSA); and convening a summit in Sharm El Sheikh to condemn terrorism. However, beyond the forceful rhetoric, there is today cause for real concern over the direction of U.S. counter-terrorism policy. An overview of several of the key items on the counter-terrorism agenda raises disturbing questions about the Administration's resolve to follow through on President Clinton's tough talk.

**Issue #1: Absence of a Counter-Terrorism Coordinator.** For almost six months, the Administration has left vacant the job of State Department Coordinator for Counter-Terrorism, the senior official responsible for overseeing the day-to-day operations of U.S. counter-terrorism policy. The failure to name a new coordinator has resulted in increased bureaucratic squabbling, a growing lack of consistency and energy in U.S. policy, and the rise of an impression that counter-terrorism ranks low on America's list of national security priorities. In the absence of a single, strong coordinator, the other relevant agencies-FBI, Treasury, the Pentagon, CIA, etc.-pursue their own investigations and agendas on such issues as the al-Khobar bombing and the implementation of ILSA legislation. Rectifying this perception will require the immediate appointment of a person of significant stature and independence who will have a direct channel to the President and Secretary Albright.

**Issue #2: Failure to Maximize Counter-Terrorism Tools.** To make sponsors of terrorism, both state-sponsors and terrorist organizations, pay a painful economic price for their misdeeds, Congress enacted and President Clinton signed into law two important pieces of counter-terrorism legislation, the Iran-Libya Sanctions Act (ILSA) and the Antiterrorism and Effective Death Penalty Act (AEDPA). However, the Administration has failed to use either of these counter-terrorism tools to maximum effect. Although the Administration has touted ILSA to try to deter investment in Iran and Libya's energy industries (their primary sources of revenue), it has so far refused to use the enforcement mechanisms within ILSA, even though several companies have signed deals with Iran that will inject significant capital into its oil and gas industry. Instead, the Administration seems embarrassed by ILSA and refuses to integrate it into a larger counter-terrorism strategy. While this was the case before the recent Total- led \$2 billion deal with Iran, when the Administration failed to act decisively when faced with apparent ILSA violations, this is especially the case now. In response to the Total deal, the Administration's only action has been to dispatch a mid-level State Department official to Paris and Moscow on a fact-finding mission about Iran's oil contracts with French and Russian companies.

> On AEDPA there have been at least two miscues. First, the Administration exempted Syria and Sudan from AEDPA's ban on financial transactions with state-sponsors of international terrorism. Second, the Administration took nearly a year and a half to designate which terrorist organizations would trigger AEDPA's fundraising and visa entry restrictions. The delay in designating terrorist organizations gave these groups a significant head start to clear out their suspicious bank accounts and to regroup under less recognizable names. In the meantime, FBI Director Louis Freeh told Congress that terrorist groups, including Hamas and Hezbollah, "placed supporters inside the United States who could be used to support an act of terrorism here." In addition, the agency largely responsible for enforcing AEDPA's fundraising restrictions (the Office of Foreign Assets Control) has not been provided with the extra resources and staff this new responsibility requires.

Issue #3: Losing Steam on Libya. The Administration's failure to devote sustained, high-level diplomatic energy to sustaining the sanctions regime on Libya also has allowed Libya to take steps to break what has heretofore been an effective embargo curbing Libya's sponsorship of international terrorism. Six years ago this month, two Libyan intelligence agents were indicted for the 1988 bombing of Pan Am Flight 103 which killed all 270 passengers on board, mostly Americans. Today, the United States appears at risk of being unable to maintain international support for bringing the two Libyan intelligence officers to justice. For example, last month, the Arab League voted overwhelmingly to ignore key provisions of the UN sanctions on Libya meant to compel Libya to extradite the suspected Pan Am 103 bombers and to cooperate into the investigation of the crash of UTA Flight 772 which killed 171 passengers. Russia also announced last month that it was renewing nuclear cooperation with Libya. Moreover, according to a recent report in the New York Times, Libya has effectively found its way around the U.S. embargo by buying American made goods, including "dual use" items (those with both civilian and military applications) and everything from American-made computers to a portable diesel fuel refinery, fuel pumps, pipe-laying machines and well-drilling equipment, through front companies in Britain and other NATO countries. Without renewed activity on Libya, the U.S. risks the failure of what has so far been a winning strategy.

Issue #4: Confusion on Sudan. Sudan is another area where American counter-terrorism policy is adrift. Although Secretary of State Albright had described Sudan as a "viper's nest" of international terrorism, the State Department announced its intention last month to return American diplomats to Khartoum after withdrawing them in 1996. A week later the State Department reversed itself in a clear policy flip-flop and said that U.S. diplomats were not, in fact, returning to Sudan. This confusing incident could have been the result of a simple administrative mistake or it could reflect real disagreement and confusion within the foreign policy apparatus about how to deal with Sudan. This is clearly an area where a powerful terrorism coordinator could have made all the difference.

Issue #5: Syria Open for Business. Syria's sponsorship of international terrorism-hosting the headquarters and offices of some of the world's most dangerous terrorist organizations and facilitating the resupply of Hezbollah in Lebanon-remains undiminished but the U.S. government continues to treat Syria differently from other state-sponsors of terrorism in the hope Damascus will decide to make peace with Israel. Indeed, there has been a distinct softening of U.S. trade constraints with Damascus. A particularly disturbing trend is that over the past five years, America has sold Syria nearly \$1 billion in goods, including \$226 million last year alone, making the United States the sixth largest exporter to Syria. Of even greater significance is the amount of U.S. exports of controlled commodities-those "dual use" goods which are generally prohibited to countries which sponsor terrorism. While the United States sold Syria about \$1 million in controlled commodities in 1991, last year's figures show that the United States sold Syria \$81 million in controlled commodities-an 81 fold increase.

Conclusions. The Clinton Administration has spoken repeatedly of the high priority it places on the fight against international terrorism. However, through acts of omission as well as commission-from failing to appoint a strong Counter-Terrorism Coordinator for nearly half a year to a reluctance to use all counter-terrorism tools at its

disposal-the Administration's actions (or inactions) run the risk of undermining this critical foreign policy objective.

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