

# THE TERRORIST THREAT FROM SHOULDER-FIRED MISSILES

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## HEARING BEFORE THE SUBCOMMITTEE ON INTERNATIONAL TERRORISM AND NONPROLIFERATION OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED NINTH CONGRESS

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## **THE TERRORIST THREAT FROM SHOULDER-FIRED MISSILES**

**THURSDAY, MARCH 30, 2006**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON INTERNATIONAL TERRORISM  
AND NONPROLIFERATION,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 2:43 p.m. in room 2200, Rayburn House Office Building, Hon. Edward R. Royce (Chairman of the Subcommittee) presiding.

Mr. ROYCE. This hearing on the Terrorist Threat From Shoulder-Fired Missiles will now come to order. Before I begin the hearing, I just wanted to make mention and say a few words about the apprehension of Charles Taylor, the former Liberian President who has been indicted for war crimes.

He has been indicted for terrorist acts against some of the victims that we have had before our very Committee; some of the children and women who faced amputation at his hands. Justice will finally be served, and I think Congress can be proud of the role that it played in bringing about Charles Taylor's transfer to the Special Court for Sierra Leone.

I got a call not long ago from the offices of the court to let me know that he had been taken into custody there. Assistant Secretary Hillen, I would really like you to convey our appreciation to Secretary Rice for the State Department's good work.

There have been credible reports of Charles Taylor's ties to al-Qaeda. As his trial begins, we should get a fuller picture of his links to terrorists. Related to today's topic, Charles Taylor, with his ties to the arms merchant, Victor Bout, long spread dangerous weapons through West Africa.

Now, thankfully, Taylor is out of the game, and he is no longer spreading weapons across West Africa, and frankly, the entire continent. Let us return then to the subject of our hearing today, the terrorist threat from shoulder-fired missiles.

This threat is of growing concern to the United States. These weapons, by the way, are often called MANPADS, and they have proliferated throughout the world. These weapons are purchased on the black market at a very low cost. More than two dozen terrorist groups, including al-Qaeda, are believed at this point to possess these easy to use, and very easy to transport, weapons.

Under Secretary Robert Joseph recently testified before Congress that, "Other than stopping weapons of mass destruction, I personally do not think that there is, in the area that I work, a higher

priority than keeping [these shoulder-fired weapons] out of the hands of the wrong people.”

This Subcommittee, too, believes that this threat is very real. Last weekend, ABC News reported that last November, just after takeoff from LAX, an American Airlines pilot reported that a rocket had been fired near his jet.

The FBI has opened an investigation. The FBI has concluded most likely that it could have been some type of a hobby rocket that someone put together and fired up near the jet, but the investigation remains open.

Such an attack against a civilian airliner would have devastating human and economic costs on the United States. The Rand Corporation did a study in 2005, placing the economic costs of such an attack, and the follow-on effects for 1 month at \$70 billion.

Impossible to calculate are the strategic consequences for the United States and its allies if al-Qaeda, or an affiliate, were able to carry out a successful attack against an airliner with a shoulder-fired missile.

Such an attack would be sure to have a devastating impact on the American psyche, a devastating impact also on the airline industry, and certainly our overall economy. At the same time, of course, America's enemies, especially al-Qaeda, would gain a tremendous psychological boost from such an attack.

So we need a multi-layered defense against this threat. Today, we will be focusing on the Small Arms/Light Weapons Destruction initiative, through which the State Department works to prevent terrorists from accessing these shoulder-fired missiles, and other dangerous weapons.

Through the Office of Weapons Removal and Abatement, the United States provides bilateral assistance to foreign governments to first go out and identify, and then destroy these weapons stocks that are in excess of their security needs, as well as to improve the security of storage facilities for any MANPADS retained by host governments.

These efforts intensified after the failed shoulder-fired missile attacks against an Israeli airline in Mombasa, Kenya, in 2002.

It is often said that the best defense is a good offense. It makes sense to be proactive in this area, going after these weapons at their source, and thus to diminish the threat. The personnel under Assistant Secretary Hillen, in the Office of Weapons Removal and Abatement are energetic, approaching their work with a sense of purpose, knowing of this looming threat.

So I was disappointed that the Administration's budget request for this program in Fiscal Year 2007 was relatively flat from last year's. It stands at \$8.6 million. It is within this context that the Ranking Member and I have drafted the "Shoulder-Fired Missile Threat Reduction Act of 2006."

This legislation aims to give Assistant Secretary Hillen and his bureau the additional resources and authorities that they need to help defend the United States against a direct threat to our national security.

We look forward to Assistant Secretary Hillen's comments on the legislation and working with other Members of the Subcommittee to move this bill through the House and on to the President's desk.

I will now turn to the Ranking Member for any comments that he might have.

Mr. SHERMAN. I wonder if there any other Member who has an opening statement? If not, I will put mine forward quickly. I thank the Chairman for holding these hearings, and for the Secretary coming before us.

Man-made portable anti-aircraft missiles are perhaps the ideal weapon for terrorists, as not only could they kill hundreds of people, but the whole concept of terrorism is to terrorize society into immobilization, and certainly our air transport system would be thrown into such immobilization by even one, let alone a coordinated series of attacks.

Terrorists have tried to bring these weapons into the United States, but thankfully in all three cases, either the sellers or the buyers in the plot were allied or American enforcement agencies.

We know that some 25 terrorist organizations have MANPADS. I know that Steve Israel will be joining us today. He has been a leader on aviation security, and I am proud to join with the Chairman in co-sponsoring legislation that would authorize this program with \$15 million in 2007, and \$20 million in 2008.

I am, of course referring to the program where the State Department acquires, destroys, or secures these weapons. I yield back.

Mr. ROYCE. I thank the gentleman for yielding. This afternoon, the Subcommittee is joined by the head of the Political-Military Affairs Bureau, Assistant Secretary John Hillen.

Secretary Hillen's office is the primary link between the State and Defense Departments providing policy direction on international security, on humanitarian assistance, on military operations, on security assistance, and on defense trade.

Before joining the State Department last October, Secretary Hillen served as Senior Vice President of American Management Systems. Prior to his business career, Secretary Hillen worked for several public policy research institutions, including the Heritage Foundation and the Hart-Rudman Commission.

Secretary Hillen is a decorated war veteran, earning a Bronze Star for his actions as an Army officer during the Persian Gulf War. This is his first testimony to this Committee since his appointment, and we welcome him here today.

I will ask you, Dr. Hillen, if you would simply summarize your testimony. We have read your written testimony. Then we will go forward to questions. Thank you, Dr. Hillen.

**STATEMENT OF THE HONORABLE JOHN HILLEN, ASSISTANT SECRETARY, BUREAU OF POLITICAL-MILITARY AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. HILLEN. Great. Thank you, Mr. Chairman. Thank you, Mr. Sherman, and Members of the Subcommittee, and once again I just want to congratulate you, as I have before in the past, Chairman, on your leadership on this important issue.

Since my entire testimony will be submitted for the record, I just want to hit on a couple of key points, and then we can get into a conversation, and indeed an exploration, about how we continue to attack this problem.

In terms of really understanding the gravity of it, I very much want to concur with what Under Secretary Joseph said in his testimony before the Senate Foreign Relations Committee, that while the threat from weapons of mass destruction and their delivery systems must be our highest priority, the second highest priority has to be keeping MANPADS out of the hands of the wrong people.

And if you think about the set of threats that really keep us awake at night in the national security business, a combination of bad actors and bad things really sum up the situations that can cause the gravest concern, and MANPADS certainly fall into the category of bad things when used in the wrong hands.

And their potential use by terrorists, insurgents, or other non-State actors, is a very serious danger. We estimate that since the 1970s that over 40 civilian aircraft have been hit by MANPADS, causing 25 crashes, and over 600 deaths around the world.

And I know, Mr. Chairman, that you are motivated as I am by recognizing how low the threshold is on what a terrorist would need to accomplish here. One MANPADS against one aircraft is a first-class disaster.

So we have a very low threshold for the success of an adversary, and that means that we need to work very hard and very creatively, and with an uncommon sense of urgency to attend to this threat.

In 2001, we stood up a Small Arms and Light Weapons Destruction program within the Department of State, but after the 2003 attempted shutdown of an Israeli airlines by al-Qaeda in Kenya, we swung much of our focus to the MANPADS effort.

And over the past two fiscal years, we have actually used 80 percent of our funding, and resources, and energy, and probably 100 percent of our creativity and entrepreneurial spirit, and the inter-agency process, to try to direct that toward MANPADS related activities.

And, in fact, most of the time of the staff of the small arms light weapons directorate, which deals with all sorts of conventional weapons around the world that are proliferable, or might cause or fuel a regional conflict.

But most of our energy is devoted to MANPADS, because that is really where the threat is, and we have been very successful with a relatively small agency effort. Thus far, we have destroyed or disabled over 18,500 systems in 17 countries, and we have firm commitments for another 5,000 more.

By unclassified estimates, this is probably about half of what we estimate might be the population of possible MANPADS out there that are unsecured, and therefore, potentially available to someone.

But those estimates as you know, Mr. Chairman, you never want to count on them. As I said, it only takes one for a disaster. We have looked at and we have worked, of course, within the context of current funding, and we have also used additional funds from the Nonproliferation Defense Fund.

And we have also worked very closely with our interagency partners. We sling around the word interagency a lot in town, and sometimes there is not much more beyond the word itself, but in this case, I would have to say that I was really struck by how tremendously so many different agencies, and the intelligence commu-



nity, and the State Department, and DoD, and out in the field, and international organizations that we have worked with, have really tucked in together.

And I think what binds the efforts of that community, both in the United States Government and nationwide, and globally as well naturally, is that it is a threat that affects everyone.

And with so many people on civilian aircraft these days, it is just patently obvious that this needs to be attended to by everybody who is concerned. If you will allow me, Mr. Chairman, I will highlight a couple of points where we have had particular success.

We worked with the government of Cambodia to destroy all its known government holdings of MANPADS. In Bosnia and Herzegovina, we have facilitated the destruction of almost 6,000 missiles in government stockpiles, I think many of which had flowed into the country during the conflict period during the 1990s.

In February of this year, we assisted Hungary in the destruction of over 1,500 SA-7s, and Mr. Chairman, you saw over here that we brought an SA-7 into the Capital, and I have got to give bona fides to the Capital Police, who were circumspect in every regard.

But we have got a SA-7 over there, which is a very common and low technology, but still very effective, MANPADS device around the world. In fact, when I was in Iraq in January, moving around the theater in a pretty good clip, the day after I left, the aircraft that I was on had been shot at by a SA-7.

So they are out there and they are active. We worked with Ukraine on a project scheduled to start this spring, and that is going to result in the destruction of another thousand MANPADS.

Eastern Europe, of course, is an area of particular focus for us, and also the Middle East, and Afghanistan, which I just returned from last week. And we have also made some progress in Central and Latin America, and you know about our efforts in Nicaragua, and also in some other places.

And in Nicaragua, we are providing assistance to destroy another thousand MANPADS, which is over half of the country's stock, and we are not there yet, but we continue to work with the government of Nicaragua on this.

We should not recognize that this is only a bilateral effort. It is not. We are working within a lot of multilateral contexts. Through organizations like the Wassenaar Agreement and others, over 95 countries have adopted strengthened guidelines for control over MANPADS transfers.

We work with OSCE, and we work with the Asia-Pacific Economic Cooperation Forum, and the Organization of American States. So we have two tracks. We have a bilateral tract and a multilateral tract, recognizing that to solve a complex problem that you have got to go about it in a number of different ways: Classified, unclassified, multilateral, diplomatic, more direct action oriented type missions, and so forth.

We also signed an important agreement with Russia that Secretary Rice and Russian Defense Minister Ivanov signed last year about controlling MANPADS, and I think we will see the fruits of that action very soon.

In terms of future things, Mr. Chairman, just to touch on for a minute, clearly we are making good progress, and the attention of

the Committee, the Subcommittee, and the attention of the other Members of both Houses who are interested in this is very much appreciated.

One of the things that we are starting to understand, and a complex process that requires diplomatic negotiation, a lot of technological expertise, and yet at the same time the ability to react very quickly to take advantage of opportunities to destroy MANPADS, is that we need flexibility.

And as we have spoken about before, flexibility within funding streams, and flexibility within budget cycles. So we are working within the Administration to do that, and I think we are doing pretty well there, and we look forward to working with the Members of the Subcommittee, and the full House as well, to continue to make progress on that front.

And just in conclusion, Mr. Chairman, I want to thank you again for the opportunity to be here today and highlight an important problem, and also the ongoing opportunity to work with you and continue to put the right kind of resources in the right ways behind the problem, and give it the emphasis that it deserves. Thank you.

[The prepared statement of Mr. Hillen follows:]

PREPARED STATEMENT OF THE HONORABLE JOHN HILLEN, ASSISTANT SECRETARY,  
BUREAU OF POLITICAL-MILITARY AFFAIRS, U.S. DEPARTMENT OF STATE

#### I. INTRODUCTION

Mr. Chairman, members of the committee, I would like to thank you for this opportunity to discuss the issue of reducing the threat from man-portable air defense systems, commonly known as MANPADS. I appreciate your interest and support in addressing this threat. As Under Secretary Joseph stated in his February 9 testimony before the Senate Foreign Relations Committee, while the threat from WMD and their delivery systems must be our highest priority, we are also working actively to reduce the massive stocks of surplus conventional arms worldwide. There is no higher priority in this area than keeping MANPADS out of the hands of the wrong people.

#### II. PROBLEM STATEMENT//RISK//IMPLICATIONS

Potential MANPADS use by terrorists, insurgents, and other non-state actors is a serious danger. In addition to the threat they present to Coalition military aircraft in Iraq and Afghanistan, MANPADS—due to their potential lethality, relatively small size, and portability—pose a unique threat to commercial aircraft. Although many of the MANPADS currently in foreign stockpiles are older systems, they could still take down slower moving, low-altitude civilian aircraft. Often times these stocks are poorly secured—creating a proliferation threat. Moreover, thousands of systems are estimated to be outside of government control, either already in the hands of terrorists or available for their acquisition. We estimate that since the 1970s, over 40 civilian aircraft have been hit by MANPADS, causing 25 crashes and over 600 deaths around the world.

#### III. ACTIONS TAKEN—RESULTS ACHIEVED

The Department of State is deeply concerned about the threat posed by MANPADS and has been taking specific actions in this regard. MANPADS reduction is the administration's highest priority for conventional arms control.

In 2001, the Small Arms and Light Weapons (SA/LW) Destruction program was created within the Department of State. The program has been appropriated \$27.589 million since that time. For this relatively small amount of money, this program has had substantial success, destroying over 800,000 weapons and 80 million pieces of ammunition.

However, since the 2003 attempted shoot-down by al-Qaeda of an Israeli airliner, the State Department has focused much of its SA/LW destruction program on MANPADS, taking the lead in a broad-based interagency effort. Over fiscal years 2004 and 2005 approximately 80% of available SA/LW destruction resources funded

MANPADS-related activities and most of my SA/LW staff's time has focused on this issue.

Our efforts have resulted in successes. Since 2003 we have lead a broad based interagency effort that has destroyed or disabled over 18,500 systems in 17 countries with firm commitments for over 5,000 more. Additional funds transferred from the Nonproliferation Defense Fund and our interagency partners enabled achieve these results. While most of these efforts have been bilateral programs, we do consider multilateral efforts, as I have noted.

While most of our programs have been bilateral in nature, we have also used our funds to leverage international support for the destruction of MANPADS and small arms and light weapons in various multilateral efforts. The Bureau of Political Military Affairs along with our colleagues in the European and Eurasian Affairs Bureau, are managing lead nation activities for the NATO-Partnership for Peace Trust Fund Project to Destroy Munitions, Small Arms and Light Weapons and MANPADS in Ukraine. Twelve other countries and the European Union have joined us with financial support for this project. We are supporting similar programs in Tajikistan and Kazakhstan.

Many of our most significant accomplishments cannot be discussed in this venue. However, I can outline a few successes:

- We have worked with Cambodia to destroy its known government holdings of 233 MANPADS missiles.
- In Bosnia and Herzegovina we facilitated the destruction of almost 6,000 missiles in government stockpiles.
- In February of this year we assisted Hungary in the destruction of 1,540 SA-7 missiles.
- The Ukraine project will result in the destruction of at least 1,000 MANPADS, and will commence this spring.
- In 2003 President Bolanos promised President Bush that Nicaragua would destroy all of its MANPADS. The USG provided assistance to destroy 1,000 MANPADS, approximately half of the country's stocks, and continues to work with the Government of Nicaragua to destroy the rest.

Leakage from poorly secured government stocks is a major source of black market weapons. Appropriate physical security and stockpile management procedures for MANPADS are necessary to prevent this. The Department works closely with the Defense Threat Reduction Agency to assist countries in strengthening the physical security of the systems they maintain for their defense needs.

In addition to our destruction efforts, the Department works in several international fora to obtain agreement with countries to strengthen controls over the export of MANPADS and to improve the management and security of their own military stocks. In 2003, the Wassenaar Arrangement adopted strengthened guidelines for control over MANPADS transfers. Similar guidelines were adopted by the Organization for Security and Cooperation in Europe (2004), The Asia Pacific Economic Cooperation forum (2004) and the Organization of American States (2005). In all, over 95 countries have agreed to adopt measures that ensure the standards established are put in place. In all of these and other regional fora the Department continues to emphasize the need for rigorous implementation.

We also have sought to reduce proliferation through bilateral cooperation in areas other than destruction. Most notably in February of 2005, Secretary Rice and Russian Minister of Defense Ivanov signed the "U.S.-Russia Arrangement on Cooperation in Enhancing Control of MANPADS." Key elements of this Arrangement include mutual assistance in destroying excess and obsolete MANPADS; exchange of information on controlling MANPADS, including improving measures to enhance physical security; and sharing of information about MANPADS sales and transfers to third countries.

#### IV. FUTURE ACTIONS/PRIORITIZATION

The Department continues to work closely with other agencies, departments, and countries to improve our coordinated response to the international MANPADS threat. However, planning and prioritizing is a recurring fiscal challenge when factoring in the political will, or lack thereof, for another country to agree to MANPADS destruction. We have been constrained in our current programs by the disconnect between a one-year budget process and the often multi-year challenges of negotiating and implementing destruction agreements. In some countries we have had to negotiate for years to secure a diplomatic agreement to start destruction whereas in others we have been offered MANPADS for destruction and forced to

scramble for resources to cover associated costs. The Administration greatly appreciates the flexibility provided to the SA/LW program through the existing ability to use SA/LW funds notwithstanding any other provision of law. This authority, if granted in the current Nonproliferation, Antiterrorism, Deming, and Related Programs funding line for Small Arms and Light Weapons Destruction would allow the Department to maintain an important tool in responding to conventional weapons problems. The Department looks forward to working with Congress to develop the most effective and responsive MANPADS and Conventional Weapons threat reduction program as possible and to ensure that this program is adequately resourced in the context of all of our global responsibilities. We are comfortable that using the existing NADR account as well as the NDF where and when appropriate, that we will have sufficient resources to achieve all program objectives through FY 2007.

#### V. CONCLUSION:

In closing, I reiterate that addressing the threat posed by the proliferation of MANPADS is a priority for the administration. The Department is committed to continue its work and improve its response. Your leadership in this area is greatly appreciated. Again I thank for the opportunity to be here today and am happy to address your questions.

Mr. ROYCE. Thank you, Dr. Hillen. Let me begin just by acknowledging that most of the manufacturers of these certainly during the Cold War were Russian-made. We now have Chinese-made MANPADS that have also gotten on to the market.

But I think for us that one of the things quite troubling is that two countries that are state-sponsors of terrorism are in the business now of producing these shoulder-fired missiles. One of them is North Korea, which will do almost anything for cash; and the second is Iran, and Iran is a supporter of Hezbollah, and other militant Jihadist groups around the world, and is again of particular concern.

I was going to ask you what could you tell the Subcommittee regarding these two countries and their efforts at producing these shoulder-fired missiles.

Mr. HILLEN. Well, as you said, Mr. Chairman, we know that they are in the business, and we work in a number of ways that we can keep them from being more effective suppliers of these things.

And, for instance, out in the field, our own efforts can sometimes get in between their ability to supply MANPADS to undesirable actors. Iran, of course, produces a variant of the SA-7, as well as a variant of a more advanced weapon, the QW-1, and as you pointed out, they do fuel terrorist groups, Hezbollah amongst them.

And we and other partners in the region that watch this very closely in the Middle East do put out a lot of intelligence resources to making sure that we know where these are and where they go. And we have a number of programs, many of which are on the classified side, and I would welcome the opportunity to also dig into that in a closed session with some of the Members of the Subcommittee.

But we have a number of ways of recognizing the stream from supply to where it goes, and interdicting at points, and it is actually to my mind, when I look across the scope of this problem, those actually, despite how daunting they are, almost appear to me more manageable than some of the things that we are really worried about, where there are things that we can't track, and we can't track the supply train and loose pool of weapons out there, some of which are quite old and some of which might be new, and they have been lost track of over the course of time.

So we have to work both ways; known supply chains, unknown pools, and one of the things that we can do over the course of time, especially with countries that are not quite in the categories that Iran and North Korea are. I think we can begin to think creatively about how we just buy entire countries out of the business of being in production.

If we chase an existing supply globally forever, we will get a result, but it won't be as effective if we attack the supply at the source. So I think we need to think, and we are thinking diplomatically about how we move entire producers out of the business entirely.

Mr. ROYCE. In Bratislava, Slovakia, last year, you were a part of an agreement there, where the Russians agreed to a new set of rules, and it is a year later, and I wanted to inquire as to whether they are proliferating these weapons, or if now this is under control.

Mr. HILLEN. Right. Well, under control, in trying to put that in relative terms. One of the things that I try to bring to this is in part a sense of urgency on people, where I never want to think that it is under control, because I don't want us to get complacent.

But the agreement was an enormous step. It is incumbent upon us in a sort of Reagan tradition of "trust, but verify," to make sure that we stay very much on top of our partners, the Russians, in the signing of that agreement and making sure.

One of the problems, of course, as we have noticed with a lot of other different systems, including some of the things attacked in legislation, such as Nunn-Lugar, is in some countries such as Russia, an agreement with the government will not necessarily encompass all the systems in their country, because they may not be entirely under government control, and subject to the legitimacy of that agreement.

So we work very hard within the context of the agreement, but we also have a weather eye toward things that might leak out, despite the best efforts of the Russian government, which I think is fully committed to enforcing the agreement.

Mr. ROYCE. One of the things that I noticed is that Victor Bout, who I mentioned earlier, who is the main arms supply for so many different types of weapons systems used around the world, he did a lot of his work out of the Ukraine.

You now have an agreement, and NATO is going into Ukraine with a \$27 million program to try to apprehend and dispose of all these weapons. I think that the cost of that multi-year program—that 12 year effort that is going to be undertaken—is certainly indicative of the overall cost of the task at hand.

So \$8.6 million seems to me a relatively minor cost compared to the threat that we have heard about from you, and that we have seen. We have \$15 million in this bill and we expand your capacity to do what you need to do and want to do, and \$20 million the next year in order to close down the network that moves these weapons.

Is that the resources that you need? Does that represent the sum of resources that you feel you need in order to more effectively combat this threat?

Mr. HILLEN. Well, Mr. Chairman, the \$8.6 million that we have now is what we forecasted that we will need for the Fiscal Year

2007 opportunities, and so that has been a very programmed fund. That is not, I would qualify, as a resource starved environment.

And then we have programmatically funded some bigger efforts, like the effort in Ukraine, which is really targeted, and that is why you see that—

Mr. ROYCE. One of the things that we noticed is that the new generations of weapons systems that are being produced and coming on to the black market are more effective, more dangerous, and hence our concerns about what is evolving in this area.

Mr. HILLEN. And we are very attuned to that, and one of the reasons that we are in lock-step with a number of reactive agencies in the intelligence community, the United States intelligence community, and others on this.

But in terms of the overall resource picture, one of the intricacies of this process, and why we really desire flexibility, is that you can't program with steady throughput resources equals results. So, for instance, you take the case of Nicaragua.

We are over 3 years into negotiations with Nicaragua, and we still have not been able to complete the project, and there are still some very difficult—and especially with the change of governments there, some very difficult negotiations to go through, and the usual dance and pressure.

Mr. ROYCE. Inordinate pressure is being applied by the United States and others in the international community on some of these governments to get them to comply, and it looks as though it is working with Nicaragua. But could the State Department—and this will be my final question before we go to the Ranking Member—could the State Department work to get an agreement internationally to limit and prevent the licensed manufacturing of these weapons?

In other words, can we take what we have done in Russia and expand that out through China and other countries, so that we get that kind of international accord?

Mr. HILLEN. I think we can absolutely expand the concept of what we did in Russia. Whether it can be done in one global swath, I don't know. One of the things about this program where we have been successful is that we really have been driven by practicality, and we are opportunistic, and we strike where we can.

So, for instance, the 3-plus years in Nicaragua, versus only 6 months in another place, and we were to move in and get the MANPADS quickly and move out. So we are opportunitistic, which makes the application of resources a problem, clunky, from a budgeting and programming perspective.

There is always, I think, a problem that is bigger than some of the resources over the course of time, but the way in which we program and budget are important, and I want to work with your staff on that.

I think on the international agreements front, in terms of licensing production, once again we need to be opportunistic. We need to have a framework that we are going to push almost the entire international community towards.

But if we can get an agreement from a major producer to get out now without waiting for a big multi-member nation commitment, then we will probably take that. So we will continue to strike

where we see opportunity, but within a framework of moving toward global agreement on essentially moving these out of production.

Mr. ROYCE. Very good, Dr. Hillen. We will go to Mr. Sherman, and then Mr. Tancredo, Mr. Cardoza, and then Mr. Weller.

Mr. SHERMAN. I applaud your efforts to try to find these missiles and take them out of commission. I am flabbergasted that your budget is less than nine million dollars, and look forward to working with Chairman Royce to pass a bill to at least double that.

One of the issues that is outside the scope of this Committee, but is clearly relevant, is what defensive measures should be taken by our airlines, et cetera, to protect their passengers. Now, I am looking at the chart prepared by CRS of suspected shoulder fire missile attacks against large civilian aircraft from 1978 through the present.

And it identifies only one case where there was no damage and that was the Israeli airliner, a Boeing 747, in Kenya in 2002. Now that aircraft may have had defensive measures and the pilot, defensive training. To what extent was the fact that those missiles failed to hit their target, and that there was no damage, due to those factors?

Was it just bad luck or good luck; bad luck for the terrorists and good luck for us? Was it that the particular missiles being fired were not of the highest quality or technology? Or was it because the Israeli aircraft had a good defense approach?

Mr. HILLEN. Well, Mr. Sherman, I think over the total of all the attacks that we have seen on civilian airliners, I think it is clearly a combination of a lot of those factors. Despite the simplicity of this weapon—and it is often used, or similar weapons are often used by untrained or poorly trained personnel—many of them are old and have been in circulation, and something does not work on them.

So in a sense, we do get lucky when those are the circumstances. I can't speak exactly to the circumstance on the Israeli pilot, but I do know, and our DHS folks and others, our aviation folks who have looked at this, I do know that there is an extraordinary cost associated with the idea of putting active countermeasures against all the range of MANPADS that we talked about, especially, Mr. Chairman, the second generation and third generation MANPADS that you have talked about, on every civilian airliner in the United States or globally.

Mr. SHERMAN. The only case where a plan escaped without substantial damage was this November 28 incident. What quality of weapon was used in that incident? Was it that second or third generation, or just the first generation?

Mr. HILLEN. I don't know. We don't know, Mr. Sherman. We can follow up and get back to you with that information.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE JOHN HILLEN TO QUESTION  
ASKED DURING THE HEARING BY THE HONORABLE BRAD SHERMAN

We have this information, but will need to provide it to you in a classified briefing.

Mr. ROYCE. And maybe we could find out the manufacturer, which would be good, too.

Mr. SHERMAN. And I am told that is a Russian missile, which leads me to the next question, and that is that one way to deal with proliferation is through deterrence, and North Korea and Iran are both manufacturing these weapons. If they were to be used would be able to identify that the weapon was in fact of Iranian manufacture if it was an Iranian copy of a Russian model?

Mr. HILLEN. My guess is that if we are able to get a hold of pieces or parts of the weapon, yes, Mr. Sherman. A lot of times grip stocks, which is the lower piece, the yellowish piece over there, grip stocks are left behind after the missile itself is fired.

Grip stocks are reused, and terrorist organizations want to keep the grip stocks so that they can reuse them again, and for instance, the one in Kenya, we knew pretty clearly from the evidence of how, and why, and where it was used, and where it came from, which is how we were able to attach it to al-Qaeda.

So it does leave a trail, and I think that does afford us the opportunity to put out a message to producing countries that this will be considered a strategic threat of the highest order and we will respond appropriately.

Mr. SHERMAN. But even another option for Iran is not to use weapons of its own manufacture, but to instead use weapons it has in its inventory and perhaps manufactured in other countries.

Does Iran have weapons that are not only manufactured in a third country, but such where even if we found a part, and we say that this is a Russian SA-7 or whatever, that that particular weapon had somehow been purchased by Iran, or could they keep their fingerprints off the evidence just by dipping into their inventory of Russian manufactured missiles?

Mr. HILLEN. I think it is safe to assume, Mr. Sherman, that a country like Iran does have more weapons than just those of its own manufacture, and I think we can probably assume that there is a way forensically for a clever operator to leave fingerprints off.

Mr. SHERMAN. So even as we work with other countries, there is certain countries that we are not going to be able to work with effectively. Iran is one of them, and North Korea is one of them, and I do think that it is important for you to get back to this Committee with whether the countermeasure strategies called for—now, I know that it would be very expensive, especially with the more advanced weapons, although have the second and third stage weapons been used yet, or are we chiefly dealing with the most junior level of weapon that has been used?

Mr. HILLEN. For the most part, you are seeing a lot of junior level. However, some of that is a set of classified issues.

And perhaps, Mr. Chairman, we might want to consider setting up a classified briefing for Members that we can do, and which I think would answer fully some of these questions.

Mr. ROYCE. Dr. Hillen, we can do that next week, and work with you on your schedule.

Mr. HILLEN. Okay. Good. I would appreciate that opportunity.

Mr. SHERMAN. Now, you said that a million of these missiles have been created?

Mr. HILLEN. There are estimates of over a million total over the course of time.



Mr. SHERMAN. And we have purchased or taken out of commission some 18,000, and your goal is to do another roughly 18,000?

Mr. HILLEN. Well, when we think of that million, 5 percent are in what we would consider the dangerous category of being loose or loosely secured and operational.

Mr. SHERMAN. Let us turn to the Wassenaar Arrangement MANPADS rule passed in 2003. We strongly supported it, but it is not a legally enforcing document as I understand it. It is non-binding.

There is a lack of monitoring of compliance, and a lack of enforcement, and of course there are at least four countries that produce these weapons that are outside the scope, including North Korea.

And has North Korea been selling these weapons to states of concern or non-state actors?

Mr. HILLEN. I think that is another question that we can probably answer in a briefing, Mr. Sherman, but in a general sense, your multilateral agreements, no matter how broad, are never going to be entirely satisfactory because by the very definition we don't control all the processes.

But I think the 95 countries we have gotten to, through one measure or another, to strengthen their export controls, and agree to be part of the posse on keeping MANPADS out of circulation, and getting rid of MANPADS that are in loose circulation is a pretty good result diplomatically.

We certainly do not see it as a way to substitute for our own efforts to literally get out there and get them and destroy them.

Mr. SHERMAN. My time has expired.

Mr. ROYCE. Thank you, Mr. Sherman. If we could go to Mr. Tancredo.

Mr. TANCREDO. Thank you. Just briefly. All of this begs the question, of course, Dr. Hillen, that has it happened? And the idea that you have been able to do what you have accomplished is certainly commendable, and I appreciate your efforts.

But when you look at the statistics that you have provided us with, and you look at the threats that exist out there, of course the question comes to mind why hasn't this happened?

Are there strategic problems, and not just practical problems—older technology that don't go off enough or something like that. But what are the strategic disadvantages, I suppose, in the use of something like this by any of the groups that we think would be naturally—would come to mind as the usual suspects as is stated—

Mr. HILLEN. I think part of it, Congressman, is just that there is—and to my mind there is only probably a subset of terrorist groups that would be willing to go this far. They, of course, are the most dangerous ones, apocalyptic in nature, willing to do spectacular incidents.

But if you look at the history of terrorism across time, a lot of different ways have been available to a lot of different terrorist groups who have an avowed use of violence against civilians, to have very spectacular acts.

And it is actually one of the things that surprises a lot of terrorist analysts is that the groups have not availed themselves of as

much destructive power as they could. It usually tends to be symbolic, meant to gain attention, and gain political advantage, and prolong negotiations, or make a point.

Now, of course, we have a small, very dangerous subset of apocalyptic terrorists who want to go for the maximum number of civilians killed, and those are the ones who are likely to use a MANPADS, a WMD, or some spectacular incident.

So I think the universe of people who might want to use a MANPADS against a civilian airliner is smaller than the universe of terrorists who use terrorism. Now that is one factor, strategic factor.

A second practical factor, a strategic input, is a great many, and indeed some estimates might even say a very great many of what we consider of the loose stockpile of MANPADS are in places like Iraq, where they are being pretty actively used against the coalition from time to time.

So some of these groups getting a hold of these things are using them in what they consider their war against our targets. And I think to the extent that it is happening there against military aircraft that have countermeasures and that are trained against this is a reflection of their priorities for where they would use them, rather than coming—and we mentioned LAX.

In flying out of LAX, there is a RV park right on the beach there right at the end of the runway, and you think about where people could come, and it is pretty easy to get around.

So I think it is a combination of luck, strategic factors, and the goals of terrorists, and also some of the things happening elsewhere, where they would rather use them, and they are easy to get in and out, and our success.

It is harder than we think. We beat ourselves up a lot about inspecting only 2 percent of containers coming into the United States and what not, but it is harder than we think, and that is through a lot of good efforts through so many different agencies here, and globally, to get a hold of these things and move them into a place like the United States and use them to shoot down an airliner.

All those things being said, I still like to think of it as a lot easier than we need it to be, because the threshold for getting it done is so low. It just takes one. It just takes one person getting it to be successful. But I do think it is a combination of things, including our own hard work and some luck.

Mr. TANCREDO. Thank you, Mr. Chairman.

Mr. ROYCE. We have eavesdropped on some of these terrorist organizations, and have been able to track them as well, and that has been helpful. Mr. Cardoza.

Mr. CARDOZA. Thank you, Mr. Chairman. I want to commend both you and the Ranking Member for holding this hearing and the work that you have done in this area. I think there are frankly few areas in the war on terrorism that are as critical as this one, because as you said, it will devastate civilian aviation and wreck the economy.

I would just beseech the Administration to put more resources into this area. The shooting down of one civilian aircraft will take this nine million dollar appropriation and make it look like in hindsight, and the cost of it, it will cost the economy and the revenues

to our Nation through lost economic opportunity, and through just so many devastations, not to even mention the personal and human sacrifices.

I would look forward to participating in that closed session that you talk about. I have serious questions, but most of them are in that realm, and I will just leave it to that at this time.

Mr. ROYCE. I think, Mr. Cardoza, that we will probably be successful. We were successful last year in moving this appropriation up to 8.75 by our actions in the House. I suspect that we will be able to go forward with the additional authorization, the bill that I have drafted with our Ranking Member, Mr. Sherman, and I suspect that it will be successful. We will now go to Congressman Jerry Weller.

Mr. WELLER. Thank you, Mr. Chairman, and Dr. Hillen, welcome before the Subcommittee. It is good to have you here. I would like to focus on Latin America in my questioning here.

Can you bring us up to speed on where things are with Nicaragua? There is an estimated eleven hundred MANPADS that are the property of the military in Nicaragua. But also there is a suggestion that there may be an additional 80 or so that may be somewhere in the black market in Nicaragua. Can you tell us where we are on this process?

Mr. HILLEN. Well, we are making progress. The change in administration in Nicaragua is something that we will have to work through, and we have gotten an agreement for a thousand MANPADS. We think that is about half of their stock right now. And then—

Mr. WELLER. They have already destroyed about a thousand, isn't that the case?

Mr. HILLEN. I think we are going to undertake destroying a thousand if I am correct. We have destroyed, yes. So that program has been implemented then. As far as the black market ones go, that is another thing, because it is an interesting dynamic in the black market of where we apply our resources, our money, not letting the market run ahead of you, and keeping or not wanting to pay bad guys even more money.

There is a lot of dynamics that we will be able to explore with you in a closed session about how we work that. But we are attendant to it.

Mr. WELLER. My understanding is that the MANPADS that was obtained this past year was not on the official list. About a year ago, there was a MANPADS that was being offered on the black market by some Nicaraguan nationals, thinking that they were selling to the FARC in Colombia. That was not on the official list that the government maintained; is that correct?

Mr. HILLEN. I think that is a conversation that we perhaps should explore in a closed session. I can tell you that in some of these places—for instance, in Afghanistan, I inspected our program, and we have an aggressive program to be able to take advantage of circumstances.

Mr. WELLER. And are the FARC and the ELN, the leftist terrorist groups operating in Colombia, they are also known to have MANPADS. What is their primary source of obtaining these weapons?

Mr. HILLEN. Another subject, Mr. Weller, that—and I don't mean to seem evasive, but I am leery of, one, just getting into classified territory, but also providing an answer to those who would do us harm in the reviewing of this.

Mr. WELLER. And have they been using these MANPADS against the forces of the democratically-elected government in Colombia? Have they used these in combat?

Mr. HILLEN. Well, I just had a session with the defense minister in Colombia, and he did not mention it as a big concern, and I did not ask him. But that would be something that I would be interested in checking on, because I think that you have identified an important dynamic.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE JOHN HILLEN TO QUESTION  
ASKED DURING THE HEARING BY THE HONORABLE JERRY WELLER

Well, I just had a session with the defense minister in Colombia, and he did not mention it as a big concern, and I did not ask him. But that would be something that I would be interested in reporting to you further in a classified environment.

Mr. WELLER. And then what can you share with us on what occurred in Bolivia?

Mr. HILLEN. Well, in Bolivia, we have an agreement with members, military members, that the previous administration supported. The current administration in Bolivia did not view that agreement as one in their best interests.

But we were able to accomplish what needed to be accomplished in that sense, and I also think we were able to handle in a very reasonable way for both countries any diplomatic fallout over it.

Mr. WELLER. And then those MANPADS that were destroyed at the request, and as I understand it, of the Bolivian military at the time, did that eliminate their entire stockpile of MANPADS? Do the Bolivian military still maintain any MANPADS in their stock?

Mr. HILLEN. In an open source, yes, but that is something also that I think we can explore. Frankly, I don't know the exact answer to that, but in a classified setting, we can explore that.

But that story to my mind ended well, and we hope that it ends well also for the Bolivian generals. And I think we have diplomatically put that in a good place between the two countries. I think that got resolved well.

Mr. WELLER. Well, my understanding was that these were destroyed at the request of the Bolivian government at the time because of the circumstances of civil strife that was occurring in the capital.

Are there any others besides Nicaragua, Colombia, Bolivia, are there any other areas in Latin America where there is a concern about a supply of MANPADS that need to be addressed?

Mr. HILLEN. Well, we need to continue to dig down pretty deep in Latin America, especially if you want to look at more conventional rather than non-state. Of course, we are pretty concerned about Hugo Chavez as he is retooling, and rebuilding, and rearming his military, with the avowed purpose of building a military that can fight against the United States.

And in that respect, he will undoubtedly avail himself of trying to get a hold of very advanced generation MANPADS. And so I

worry about a proliferation threat there for a guy who says he wants to run counter to American interests, and groups in the Andean region that he could feed those to.

So that is one thing that I think we need to keep a very close eye on, and there are other places, like in Ecuador, where there is just a general degree of instability, and border security problems in the Andean region, and where the borders are meaningless, and where the lines that we see on the map have no legitimacy for some of the groups operating in the region.

And those groups will also avail themselves of the opportunity to get a hold of these weapons. So we do have a good focus there outside of this traditional government to government focus. You know, ourselves negotiating with another legitimate government.

We have got to look at the transnational piece of this, because that is where a lot of the threat comes from. But a lot of our focus these days is Iraq. Not just because we have got a lot of flights with American servicemembers there, but that is where a lot of the MANPADS have gone to.

Afghanistan, and we all know the story behind Afghanistan, and the supply that got there.

Mr. WELLER. You are saying that through the black market in Latin America, that those weapons are working their way to the Middle East?

Mr. HILLEN. No, I am not saying there is necessarily connection.

Mr. WELLER. I want to keep the focus there on Latin America, and just two remaining questions. One is that President Chavez of Venezuela, and of course a democratically elected President, has talked about increasing his military presence, and has sought weaponry from Europe, and Russia, and possibly China and elsewhere.

But I have not read anywhere where he has sought MANPADS. It is AK-47s, and attack helicopters, and advanced ships and things like that he has been seeking, but has he actually been seeking MANPADS?

Mr. HILLEN. In a general sense is the way that I will describe it in this setting, Mr. Weller, and in a general sense, his rearmament program is fully comprehensive from a military perspective. It is not limited to one set of systems or another.

Mr. WELLER. And then just returning to Central America, obviously back in the 1970s and the early 1980s, an area of great—a lot of civil war, particularly in countries north of Costa Rica, and it is often thought that a lot of weapons were buried under the floors of a lot of houses.

And are there other countries in Central America where there may be MANPADS working their way into the black market that we should be aware of and sensitive to as Nicaragua?

Mr. HILLEN. Well, the places that we have gone to are the ones—there is a bit of phenomenon in the way that we have been approaching this right now, where we do look under the street light for our keys, because there is a light there.

And the light being cooperation of the host government that allows us to work with them and destroy their MANPADS, and there are a lot of keys out there, but there are keys in the dark, too.

And we have a set of programs, and this is where I talked about the interagency cooperation here between the intelligence community and ourselves is a compelling one, and where we are able to look at that.

We don't always have as much visibility as we do when we are doing the traditional government-to-government route, but as you have pointed out, the black market ones are the most likely dangerous ones. So we are attentive to it, and we have a set of programs that I think we can brief you on more fully there that recognize that.

Mr. WELLER. Well, MS-13, the Eighteenth Street Gang, based out of El Salvador, and operating elsewhere in Central America, have they become involved in arms trafficking?

Mr. HILLEN. I am not aware of the full extent of their trafficking. I think in a general sense that they are armed, but I couldn't patch them on trafficking right now. I would have to get back to you on that.

Mr. WELLER. Okay. I realize that I have run out of time here, Mr. Chairman. Thank you, Dr. Hillen.

Mr. HILLEN. Thank you.

Mr. ROYCE. Thank you, Mr. Weller. We had a classified briefing on this with Acting Assistant Secretary Rose Likins last year, and I think we all recognize the severity of the threat, and want to do all we can to combat that threat. I think it would be good for the Members if we can organize a classified briefing, and we are going to try and do that next week.

There have been a lot of new developments in Latin America since our last briefing, and certainly a lot of new developments in the Middle East. I would like to go to our Ranking Member, Mr. Sherman, who I think has a couple of more questions.

Mr. SHERMAN. Thank you. It is a rather small device, and you can break it down smaller. Is an Iranian or North Korean diplomat, as part of their representation in New York, able to bring something about that size into our country without inspection?

Mr. HILLEN. I would have to say no, Mr. Sherman, on that. I cannot imagine circumstances under which anybody, diplomatic or otherwise, would be able to bring in something like that in without inspection.

Mr. SHERMAN. I mean, you could bring that in though in a couple of three suitcases, or one large suitcase actually. Are their suitcases subject to inspection?

Mr. HILLEN. As far as I know, all diplomatic luggage—I mean, there is the pouch, but the pouch certainly cannot be used for something like that, but everybody else coming in comes in the way that anybody comes into the United States through airlines.

Mr. SHERMAN. What about when we export Stinger missiles? Are there countries that are eligible to purchase other United States arms, small arms, but are not eligible to purchase Stingers?

Mr. HILLEN. There are indeed. In fact, one of the things—and as you have read, the State Department is our arms export control regime, and they are very, very tight on systems that are highly sensitive, highly technical, possibly proliferable, and we have a strict set of compliance rules, and inspection regimes, and user agreements, and things of that nature.

And one of the great success stories of that is that we have never had a single incident where an American technology driven through our system has caused a terrorist accident, or have been used by a terrorist of any sort, MANPADS or otherwise.

So our export control regime is really the gold standard. Our job, our challenge, is that we have this gold standard export control regime, and the rest of the world, including some of our most advanced, technologically advanced, wealthy, well-armed allies, do not nearly have such a tight export control regime.

So we are trying to bring them up to our level, and I am working probably with a dozen countries right now in trying to get them to have an export control regime that matches the tightness of ours to prevent exactly that.

Mr. SHERMAN. What host delivery conditions do we impose on those who are buying Stingers and other United States made and MANPADS, requirements that the buyer has to adhere to after taking possession?

Mr. HILLEN. Well, there is a whole series of provisos and conditions about security, and conditions under which they are kept under. For instance, I was just out in a country in Central Asia inspecting a facility, where if we sell them a certain kind of weapons system, and not a MANPADS, they would have to have much extra security concerns.

And this is one where I went to go and inspect it myself, and impress upon the importance of that. We have a program called Blue Lantern, which is a no notice compliance check, where we actually send out teams in-country to go inspect the end-use, count stocks, look at serial numbers, and things of that nature.

As I said, I have been very impressed since I have taken over by how tight our regime is. The real challenge is the 193 odd other countries out there that do things. Many of them have almost no export control regime that is as attendant as ours, and so we are trying to bring them up to our standard.

Mr. SHERMAN. And the bottom line, should our airliners have the same kind of defense regime that the Israeli airliner in Kenya had, or is it just too expensive?

Mr. HILLEN. Well, Mr. Sherman, that is a decision for others to make. What I can point out is that with the estimates of the billions, and billions, and billions for countermeasures on every civilian airliner, that is certainly a very different kettle of fish than well spent millions or tens of millions on these kinds of efforts to remove them off the street.

But that is a calculation that I am sure the whole body politic would be involved in getting made, but I can say that our efforts are a pretty good value for money.

Mr. SHERMAN. Your efforts certainly are, and yours are not fool proof by any means. Then again, these defensive measures are not fool proof. Of the one million of these weapons that have been created, how many of them are second and third generation, and what portion of the loose missiles are second and third generation technology?

Mr. HILLEN. A smaller percentage, and we will go through our best estimates and fullness in the briefing, but in a general sense, a smaller percentage of the more advanced, and because the more

advanced tend to be produced by—shall I say more responsible countries, they tend to be more locked down, and secure, and responsibly held stocks.

So among the looser stocks, you tend to have in a very general sense older variance, but enough of variance are out there that we need to stay on our toes.

Mr. SHERMAN. And probably you will save your answer for the classified briefing, but I would like to know whether this—I have kind of already asked you whether the Israeli airliner survived because of a good plan, a bad missile, or good luck, and I guess you said it was a combination of all three. But in a classified briefing, you could be more specific.

Mr. HILLEN. Yes, and I have actually never seen the information on that, but we will try to get the information on that.

Mr. SHERMAN. The question then is, and an additional question there is, would the same result have applied if instead of a 30 year old SAM-7, it had been a second or third generation missile that had been fired, both in terms of a missile perhaps in better condition, which we should expect in the next attack.

But does a second or third generation missile technology defeat the level of countermeasures that are being talked about, and I look forward to an answer in a different setting.

Mr. HILLEN. Good.

Mr. SHERMAN. Thank you.

Mr. HILLEN. Thank you.

Mr. ROYCE. Dr. Hillen, I have two questions for the record pertaining to our legislation, which I will e-mail over to you. Let me commend you for your testimony here today, and your good work. I also thank the Ranking Member. We will adjourn the Committee for now.

I would, however, appreciate a prompt turnaround on the two questions that we need answered for legislation.

Mr. HILLEN. Yes, sir. Indeed.

Mr. ROYCE. Dr. Hillen, thank you again.

Mr. HILLEN. Thank you, Mr. Chairman.

Mr. ROYCE. We are adjourned.

[Whereupon, at 3:40 p.m., the Subcommittee was adjourned.]



# A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

**Questions for the Record Submitted to  
Assistant Secretary Hillen by  
Rep. Ed Royce (#1)  
House International Relations Committee  
March 30, 2006**

**Question:**

You state in your testimony that annual planning is difficult for this type of activity. The legislation we have drafted would allow these funds to be “available until expended” – or “no-year money.” Can you give us a specific example of how the one-year budget process has restrained your efforts?

**Answer:**

The level of political will and commitment to destroy surplus and obsolete SA/LW and MANPADS as well as strengthen stockpile and security practices varies from country to country. While it took us only a few months to get Hungary from the negotiating table to implementation of a program, we have spent over three years trying, and still have not persuaded, Nicaragua to fully carry through on its obligations. In cases such as the latter, we put at risk one-year funds by obligating them to a project that may not be completed or occur at all. In other cases, such as Bosnia and Herzegovina in FY 2003, we have had a country pull back from a nearly finalized agreement just before the end of the fiscal year or have had to withdraw from a prospective project ourselves because of unacceptable terms demanded by the recipient state. Such cases have compelled us to reprioritize our requirements at the end of a fiscal year in order to obligate funds

before they were lost. No-year funding would allow for a smoother long term planning process without these complications.

Questions for the Record Submitted to  
Assistant Secretary Hillen by  
Rep. Ed Royce (#2)  
House International Relations Committee  
March 30, 2006

Question:

The Nonproliferation and Disarmament Fund (NDF) has also been used to fund MANPADS destruction. In which circumstances does this happen? Which funding stream is most desirable for MANPADS destruction, SA/LW or NDF? A GAO report from 2004 found that the NDF was being increasingly used - nearly 60 percent of its funds in FY05 -- for *preplanned* activities, rather than emergency situations as envisioned by Congress. Is this trend continuing? Do you have concern that it may be difficult to get funds from the NDF for MANPADS destruction in the future?

Answer:

We have used NDF funds in the past for weapons destruction -- both WMD and advanced conventional weapons -- including MANPADS. That said, we would encourage that future MANPADS destruction activity beyond FY 2006 be regularized in normal funding streams outside the NDF. We would also note that no NDF dollars have ever been committed in advance of any appropriation or formal Department vetting approval. PM can provide more details about its MANPADS activities and plans in a classified briefing.