

**ADDING HEZBOLLAH TO THE
EU TERRORIST LIST**

HEARING
BEFORE THE
SUBCOMMITTEE ON EUROPE
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
FIRST SESSION

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ADDING HEZBOLLAH TO THE EU TERRORIST LIST

WEDNESDAY, JUNE 20, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:05 p.m. in room 2200, Rayburn House Office Building, Hon. Robert Wexler (chairman of the subcommittee) presiding.

Mr. WEXLER. I think, at this point we would like to begin. I would like to welcome all who is here this afternoon. The Subcommittee on Europe will come to order. Without objection, all members and witnesses' opening statements will be included in the record.

I want to welcome all that have joined us this afternoon. I especially want to welcome our distinguished witnesses, Michael Jacobson, senior fellow at the Washington Institute for Near East Policy; Alex Ritzmann, senior fellow at the European Foundation for Democracy; and James Phillips, research fellow at The Heritage Foundation. Thank you, gentlemen, for joining with us.

Since its inception, Hezbollah has led a global campaign of terror that has resulted in hundreds of senseless deaths beginning with the horrific 1983 bombings of the United States and French army barracks in Beirut, and which 241 American Marines and 58 French paratroopers were killed. More recently, Hezbollah attacked Israel in an unprovoked act of aggression across an internationally recognized border that resulted in more, and further destabilized the Middle East.

Today, Hezbollah continues to smuggle illicit weapons across the Lebanese border with Syria, and experts speculate it may be planning future terrorist attacks against Israel. In Lebanon, Hezbollah is working with Syria to destabilize the government of Prime Minister Sinora while at the same time continuing to operate as a terrorist proxy on behalf of Iran.

While Hezbollah's belligerence continues unabated in the Middle East, it enjoys a large degree of operational freedom in Europe because it is not classified as a terrorist organization by the EU. Hezbollah has established a wide logistical support network in Europe, which allows it to fund raise under the auspices of charities, and use the European banking system to transfer funds from Iran. Last year, the U.S. Department of Treasury took punitive measures against the Iranian Bank Saderat for transferring over \$50

million in a period of 5 years to Hezbollah through the bank's London branch.

Hezbollah has clearly exploited its freedom to channel money through the U.K., and has also established the presence in other EU member states, including Germany and France. According to an annual intelligence report, German security services estimate that more than 900 "core activists" are in Germany, regularly meeting in community centers and masks. I encourage all EU member states to conduct similar investigations concerning Hezbollah's presence in Europe so that they may better understand and target this disconcerting threat growing in their own backyard.

At a time when the United States and the European Union are working to together to thwart Iran's nuclear development and punish the Iranian Government for its brazen defiance of the U.N., we must also work together to confront Iran's proxy organization—Hezbollah. The EU has placed the second-highest Hezbollah official on its terrorist list, and EU member states have taken legal action against Hezbollah, including the Germany deportation of a Hezbollah agent and the French banning of Hezbollah television, al Manar.

I commend the Dutch Government for its bold decision in 2004 to designate Hezbollah as a terrorist group with no distinction between its so-called military and political wings. I also want to recognize the European Parliament for passing a resolution in March 2005 by a vote of 475 to 8 distinguishing Hezbollah as a terrorist organization and calling on the EU Council to take "all needed measures to put an end to the terrorist activities of this group." This was followed by a congressional resolution, here in Washington, calling on the EU to add Hezbollah to its terrorist list that passed the House and the Senate with nearly unanimous support.

While the American and European legislative bodies have spoken, the strongest argument for adding Hezbollah has been made by Hezbollah leader Hassan Nasrallah himself. In an interview in March 2005 aired on al Manar, he stated that designating Hezbollah as a terrorist organization in Europe would mean "the sources of our funding will dry up and the sources of moral, political and material support will be destroyed." Hezbollah fears its designation as a terrorist group and it defies logic that the EU would continue to omit it from its list.

Last year, High Representative Solana affirmed to the press that the EU did not have enough information to designate Hezbollah as a terrorist organization. I hope this hearing will serve as a source of valuable information for officials in Brussels and all EU member states which can be drawn upon at the next meeting of the Clearing House, the EU entity that designates terrorist groups. The designation of Hezbollah as a terrorist group is long overdue, and I call on the EU to join the United States, Canada and The Netherlands in adding Hezbollah to its terrorist list.

At this point, we will move to our witnesses. If Mr. Gallegly comes after the witnesses begin, we will go through the witnesses and then give Mr. Gallegly an opportunity to make his opening statement with your indulgence.

I would like to introduce our witnesses together. Michael Jacobson is a Senior Fellow in the Washington Institute, Stein Pro-

gram on Terrorism, Intelligence, and Policy. In this role, his area of focus includes sanctions and financial measures to combat national security threats as well as other issues related to counterterrorism.

Mr. Jacobson previously was in the Department of Treasury where he served for 2 years as a senior advisor in the Office of Terrorism and Financial Intelligence. Prior to that, he served as counsel on the 9–11 Commission and worked for the FBI for over 5 years.

Mr. Alexander Ritzmann is a former member of the Berlin State Parliament in Germany from 2001 to 2006, where he served as the ranking member on its Homeland Security, Intelligence and Data Protection Committee. He now serves as a senior fellow at the European Foundation for Democracy in Brussels. His research focuses on the transatlantic aspect of the war on terrorism, the radicalization of Muslims in Germany and the United States, as well as Hezbollah and Hamas structures in Europe.

Our final witness is Mr. James Phillips who is a research fellow for Middle Eastern affairs at the Douglas and Sara Allison Center for Foreign Policy Studies at The Heritage Foundation. Since 1978, Mr. Phillips has written extensively on the Middle East, international terrorism, the Arab-Israeli conflict, and Islamic radicalism. He is frequently being interviewed by American and foreign media, including CNN, BBC World and Voice of America. Mr. Phillips is a member of the Board of Editors of the Middle East Quarterly.

I want to thank all three gentlemen for testifying at today's hearing. I want to thank Mr. Sires for joining with us, and maybe just before we go to Mr. Jacobson if Mr. Sires has a comment.

[The prepared statement of Mr. Wexler follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT WEXLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

I would like to welcome everyone to this critical hearing on the issue of adding Hezbollah to the European Union (EU) terrorist list. I would also like to welcome our distinguished witnesses, Michael Jacobson, Senior Fellow at the Washington Institute for Near East Policy; Alex Ritzmann, Senior Fellow at the European Foundation for Democracy; and James Phillips, Research Fellow at the Heritage Foundation.

Since its inception, Hezbollah has led a global campaign of terror that has resulted in hundreds of senseless deaths beginning with the horrific 1983 bombings of the U.S. and French Army barracks in Beirut in which 241 American Marines and 58 French paratroopers were killed. More recently, Hezbollah attacked Israel in an unprovoked act of aggression across an internationally recognized border that resulted in war and further destabilized the Middle East. Today, Hezbollah continues to smuggle illicit weapons across the Lebanese border with Syria, and experts speculate it may be planning future terrorist attacks against Israel. In Lebanon, Hezbollah is working with Syria to destabilize the government of Prime Minister Siniora, while at the same time, continuing to operate as a terrorist proxy on behalf of Iran.

While Hezbollah's belligerence continues unabated in the Middle East, it enjoys a large degree of operational freedom in Europe because it is not classified as a "terrorist organization" by the EU. Hezbollah has established a wide logistical support network in Europe, which allows it to fundraise under the auspices of charities and use the European banking system to transfer funds from Iran. Last year, the U.S. Department of Treasury took punitive measures against the Iranian Bank Saderat for transferring over \$50 million in a period of five years to Hezbollah through the bank's London branch.

Hezbollah has clearly exploited its freedom to channel money through the UK, and has also established a presence in other EU Member states, including Germany

and France. According to an annual intelligence report, German security services estimate that more than 900 “core activists” are in the country, regularly meeting in community centers and mosques. I encourage all EU Member States to conduct similar investigations concerning Hezbollah’s presence in Europe so that they may better understand and target this disconcerting threat growing in their own backyard.

At a time when the United States and the European Union (EU) are working together to thwart Iran’s nuclear development and punish the Iranian government for its brazen defiance of the UN, we must also work together to confront Iran’s proxy organization—Hezbollah. The EU has placed the second-highest Hezbollah official on its terrorist list, and EU Member States have taken legal action against Hezbollah, including the German deportation of a Hezbollah agent and the French banning of Hezbollah television, *al Manar*.

I commend the Dutch government for its bold decision in 2004 to designate Hezbollah as a terrorist group with no distinction between its so-called military and political wings. I also want to recognize the European Parliament for passing a resolution in March 2005 by a vote of 473 to 8 distinguishing Hezbollah as a “terrorist organization” and calling on the EU Council to take “all needed measures to put an end to the terrorist activities of this group.” This was followed by a Congressional resolution calling on the EU to add Hezbollah to its terrorist list that passed the House and the Senate with nearly unanimous support.

While the American and European legislative bodies have spoken, the strongest argument for adding Hezbollah has been made by Hezbollah leader Hassan Nasrallah himself. In an interview in March 2005 aired on *al Manar*, he stated that designating Hezbollah as a terrorist organization in Europe would mean “the sources of [our] funding will dry up and the sources of moral, political and material support will be destroyed.” Hezbollah fears its designation as a terrorist group, and it defies logic that the EU would continue to omit it from its list.

Last year, High Representative Solana affirmed to the press that the EU did not have enough information to designate Hezbollah as a terrorist organization. I hope this hearing will serve as a source of valuable information for officials in Brussels and all EU Member States, which can be drawn upon at the next meeting of the “Clearing House,” the EU entity that designates terrorist groups. The designation of Hezbollah is long overdue, and I call on the EU to join the United States, Canada and the Netherlands in adding Hezbollah to its terrorist list.

Mr. SIRES. Get to the hearing.

Mr. WEXLER. Very good. Mr. Jackson, please.

**STATEMENT OF MR. MICHAEL JACOBSON, SENIOR FELLOW,
STEIN PROGRAM ON TERRORISM, INTELLIGENCE, AND POLICY,
THE WASHINGTON INSTITUTE**

Mr. JACOBSON. Thank you, Chairman Wexler.

Chairman Wexler, Ranking Member Gallegly, members of the subcommittee, thank you for inviting me to testify before you today. The hearing today is an important topic which has not always received the public attention it deserves.

Understandably in the terrorism arena most of the focus over the past 5 years has been on al-Qaeda and its affiliates. Often forgotten in the process is Hezbollah, which many experts regard as an even more capable and potentially dangerous organization. I will focus my remarks to day on why Hezbollah is not banned by the EU and what impact a ban could have.

Reviewing Hezbollah’s lengthy record of terrorist activity, violence and disruptive actions, it raises the question as to why the Europeans have not added the organization to its terrorist list. The answer lies primarily in the bureaucratic system that the EU has set up for adding groups to its terrorist list.

The EU maintains two separate lists of terrorist organizations, entities and individuals. The first is comprised of al-Qaeda and Taliban members who have been designated by the U.N.’s so-called “1267 Committee.” The second is a list of terrorists who are not af-

filiated with al-Qaeda or the Taliban. This is the one that Hezbollah would be added to should the European move in this direction.

The primary obstacle in adding Hezbollah to this list stems from the fact that consensus among all 27 European Union member states is required to add or remove a name from the non-al-Qaeda list.

France has publicly led the charge against a Hezbollah designation. With its historical role and ties in Lebanon, France has always been highly sensitive to the political situation in Lebanon. They have been reluctant to take action which they believe could upset the tenuous domestic political balance. Hezbollah's role as a political party has greatly complicated the situation. Other countries which apparently oppose an EU designation—but far less vocally in most cases—reportedly include Spain, Belgium, Greece, and Italy.

There are also a number of European countries which favor an EU designation of Hezbollah. These include, as Chairman Wexler mentioned, The Netherlands, the only EU country which has designated the entire organization domestically; Germany, which has identified 900 Hezbollah supporters in its midst; and the United Kingdom where Hezbollah's military wing has been prescribed since 2003.

Unfortunately, it is difficult to assess exactly where each of the European member states stand on a Hezbollah ban. While France has stated its position publicly, few other countries have followed France's lead. The process for adding or removing names from the terrorist list is done in secret by a committee which generally meets bi-annually, and there are no public records of these proceedings.

An EU designation of Hezbollah would have both symbolic and practical implications. First, it would send an important message to Hezbollah that they cannot have it both ways. They cannot engage in terrorist activity and still be regarded as a legitimate political party. An EU ban would also have a more tangible effect, particularly in terms of Hezbollah's European fund raising activities. In a widely quoted 2005 interview, Hezbollah's Secretary General Hassan Nasrallah commented that an EU ban would "destroy the organization as the sources of our funding will dry up, and that sources of moral, political and material support will be destroyed."

While Nasrallah may be somewhat overstating the likely impact, Hezbollah does have reason to be nervous. Until now, Europe has been a permissive operating environment for the group, in large part because there were no EU-wide restrictions. A ban would change the situation.

Furthermore, the European member states have far greater capability to bring to bear on terrorist financing than they did prior to 9/11. In addition to establishing the EU terrorist list, European countries have taken a variety of other steps in this area to strengthen their efforts.

Given the lack of transparency in the European designation process, it is difficult to determine what it would take for the Europeans to achieve consensus on this issue.

In my opinion, the Europeans are unlikely to move forward on a Hezbollah designation as long as they do not regard their organization as a direct threat. In this regard, the Europeans must recognize that while Hezbollah has not carried out attacks in Europe for a number of years, this could change rapidly. Hezbollah's infrastructure in Europe and its ties to Iran give it the capability to quickly ramp up and carry out an attack should the perceived need arise.

There is little doubt that if Iran instructed Hezbollah to conduct an attack, that Hezbollah would follow through. A quote by Hezbollah's Secretary General Hassan Nasrallah again helps illustrate this point. Nasrallah once told senior leaders that he would even "divorce his wife if the Iran Supreme Leader told him to do so."

In recent testimony, the U.S. Director of National Intelligence also commented on the close ties between Iran and Hezbollah, noting that terrorism is "a key element of Iran's national strategy and that Hezbollah is at the center of this strategy."

In conclusion, as the Europeans have learned firsthand, accommodation is not often an effective strategy with terrorist organizations. While there are certainly important distinctions between Hezbollah and al-Qaeda type jihadists, the Europeans should at least consider their prior experiences in deciding whether to black list Hezbollah. In weighing the likely benefits of a Hezbollah designation as well as the potential dangers of inaction, it should then be clear to the Europeans that banning Hezbollah is a necessary and productive step forward.

Thank you.

[The prepared statement of Mr. Jacobson follows:]

PREPARED STATEMENT OF MR. MICHAEL JACOBSON, SENIOR FELLOW, STEIN PROGRAM ON TERRORISM, INTELLIGENCE, AND POLICY, THE WASHINGTON INSTITUTE

INTRODUCTION

Chairman Wexler, Ranking Member Gallegly, members of the subcommittee, thank you for inviting me to testify before you today. The hearing today is on an important topic, which has not always received the public attention it deserves. Understandably, in the terrorism arena, most of the focus over the past five years has been on al Qaeda and its affiliates, and what governments are doing to combat their terrorist activities. Often forgotten in the process is Hezbollah, which many experts regard as an even more capable and potentially dangerous organization.

Hezbollah is an organization with a global reach, with an extensive presence in Africa, Latin America, and Europe. In his written testimony, my colleague Matthew Levitt discussed Hezbollah's European activities at length, outlining Hezbollah's involvement in numerous past terrorist acts in Europe, its use of Europe as a launching pad for attacks elsewhere, and its ongoing fundraising and recruiting. I'll focus my remarks today on why Hezbollah is not banned, and what impact a ban could have.

WHY IS HEZBOLLAH NOT BANNED?

Reviewing Hezbollah's lengthy record of terrorist activity, violence, and disruptive actions, it raises the question as why to the Europeans have not added the organization to its terrorist list. The answer lies primarily in the bureaucratic system that the European Union (EU) has set up for adding groups—other than those affiliated with al Qaeda and the Taliban—to its terrorist lists.

The EU maintains two separate lists of terrorist organizations, entities, and individuals. It is important to understand the distinctions between these lists to realize why the EU has not yet banned Hezbollah, and why it is such an uphill struggle.

Al Qaeda/Taliban: One of the EU's terrorist lists is comprised of al Qaeda and Taliban members, who have been designated by the UN's so-called "1267 com-

mittee.” This UN committee is responsible for all issues relating to UN Security Council Resolution 1267, passed in 1999 to increase pressure on the Taliban to evict al-Qaeda from Afghanistan. Any individual or entity designated under Resolution 1267 is—for all intents and purposes—automatically added to the EU’s own list of terrorist subjects. Under EU law, all EU member states are then required to impose the sanctions mandated by the UN Security Council: 1) freeze the assets of those designated persons and groups within their jurisdiction; 2) restrict individuals from those entities from traveling through their territories, and; 3) to prevent anyone under their jurisdiction from trading arms with listed entities.

Other Terrorist Organizations: The European Union also maintains a list of terrorists who are not affiliated with Al Qaeda or the Taliban. In reality, this list comprises two components—one for external terrorist organizations (i.e. non-European) and one for internal. The external component, which includes Hamas and Palestinian Islamic Jihad, is the one that Hezbollah would be added to, should the Europeans move in this direction. The internal list includes such groups as Spain-based ETA and the Real Irish Republican Army. The impact of being banned differs, depending on whether an organization, entity or individual is on the external or internal list. For external terrorist groups, such as Hamas and PIJ, all EU member states are required to freeze all assets within their jurisdiction, and financial transactions are banned as well. For the internal groups, the member states are free to devise their own mechanisms for how the sanctions should be implemented.

Obstacles to Designation: The primary obstacle in adding Hezbollah to the list stems from the fact that consensus among all 27 European Union member is required to add or remove a name from the non-al Qaeda list. Economic sanctions fall largely under the EU’s Common Foreign and Security Policy (CFSP), or the so-called “second pillar” under the Treaty on European Union. Under the CFSP, to amend the existing list, the European Council—consisting of representatives of all of the member states—must unanimously agree on a “common position.” Achieving consensus is, not surprisingly, a more difficult endeavor as the EU continues to expand.

France has publicly led the charge against a Hezbollah designation. With its historical role and ties in Lebanon, France has always paid close attention and been highly sensitive to the political situation in Lebanon. France has been reluctant to take action which they believe could upset the tenuous domestic political balance. Hezbollah’s role as a political party has greatly complicated this situation. As a former French Foreign Minister stated, “Hezbollah has a parliamentary and political dimension in Lebanon. They have members of parliament who are participating in parliamentary life. Political life in Lebanon is difficult and fragile.” Other countries which apparently oppose an EU designation—but far less vocally in most cases—reportedly include Spain, Belgium, Greece, and Italy.

In terms of the current dynamic, what is also likely now fueling European opposition is the presence of European military forces in largely Shia Southern Lebanon, as part of the UN Interim Force in Lebanon (UNIFIL). An enhanced UNIFIL force was put in place in the wake of last summer’s war, primarily to monitor the ceasefire between Israel and Hezbollah. Countries such as France, Spain, Belgium, and others which have deployed troops to UNIFIL might be concerned that a designation could destabilize the country further, putting their own military forces more at risk.

In spite of the factors described above, there are still clearly a number of European countries which favor an EU designation of Hezbollah. For example, the Dutch now support banning Hezbollah, and are the only EU country which has designated the entire organization domestically. The Dutch view on Hezbollah changed, in the wake of the 2004 murder of filmmaker Theo Van Gogh by an Islamic extremist. According to their 2004 annual intelligence report, the Dutch discovered in the course of their stepped up counterterrorism investigations that “Hezbollah’s political and terrorist wings are controlled by one coordinating council,” and that therefore “there is indeed a link between these parts of the organization.” Germany, which has identified 900 Hezbollah supporters in its territory, reportedly also favors an EU ban. The United Kingdom, where Hezbollah’s military wing has been proscribed since 2003, has also pushed for action by the EU.

A Non-Transparent Process: Unfortunately, it is difficult to assess exactly where each of the European member states stand on a Hezbollah ban. While France has stated its position publicly, few other countries have followed France’s lead. The process for adding and removing names from the terrorist list is done in secret by a committee which generally meets biannually, and there are no records of these proceedings. Even when groups are added to the list, there is no explanation as to why this action was taken.

When asked about the EU’s failure to add Hezbollah, an EU spokeswoman merely stated that “the group makes its deliberations in a very discrete way,” and that “we are not able to assess the reasons why such unanimity could not be reached.” In

fact, EU foreign policy chief Javier Solana muddied the waters further in 2006 on exactly why Hezbollah is not on the list, when he proclaimed that the real reason was that there was not “sufficient data” to take this action.

In these secretive proceedings, it is hardly surprising that questionable negotiations occur on individual designations. For example, according to the German publication *Der Spiegel*, the United Kingdom opposed a proposal to remove the Mujahedin-e Khalq (MEK), an Iranian opposition group, from the EU’s list. In response, some other EU member states then blocked the UK’s request to add Hezbollah.

There may be some movement in the EU to make the process somewhat more transparent, in response to a recent judgment by an EU court. In December 2006, the court ruled that the European Council had illegally listed the MEK. In reaching its finding, the court faulted the council for failing to provide MEK with adequate reason or sufficient information on the basis of the designation. The EU is currently deliberating how to respond to this opinion, and what changes should be made to the designation process.

WHY A HEZBOLLAH BAN WOULD BE IMPORTANT

Symbolic Impact: An EU designation of Hezbollah would have both symbolic and practical implications. First, it would send an important message to Hezbollah that they cannot have it both ways: they cannot engage in terrorist activity, but still be considered and treated as a legitimate political party. As terrorism expert Bruce Hoffman noted, “Our problem is that Hezbollah’s path to legitimacy has been purchased with the blood of over 300 dead Americans, and the model that its leaders are now actively seeking to export challenges the axiom that terrorism doesn’t work. As long as the Hezbollah model goes unchallenged, we’ll have no hope of persuading other aggrieved groups that terror is a repugnant and useless tool for gaining legitimate political power.”

Financial Impact: An EU ban would also have a more tangible effect, particularly in terms of Hezbollah’s European fundraising activities. According to Secretary General Hassan Nasrallah, the effect of this action would be devastating. In a widely quoted 2005 interview, Nasrallah commented that an EU ban would “destroy” the organization as “[t]he sources of our funding will dry up and the sources of moral, political and material support will be destroyed.”

While Nasrallah may be somewhat overstating the likely impact, Hezbollah does have reason to be nervous. Until now, Europe has been a permissive operating environment for the group, in large part because there were no EU-wide little restrictions. If Hezbollah were designated, all EU member states would be required to freeze any of the group’s assets within their jurisdiction, and all European financial institutions would be prohibited from processing any Hezbollah-related transactions.

Furthermore, the European member states have far greater capabilities to bring to bear on terrorist financing than they did prior to 9/11. The Europeans have heeded the call of UN Security Council resolution 1373, passed on September 28, 2001, which required countries to take a variety of steps to combat terrorist financing. In addition to establishing the EU terrorist lists, European countries have also: created or designated specific government agencies to lead the counterterrorist financing efforts; criminalized terrorist financing; and developed systems to freeze assets, among other changes. For example, Spain established the Commission for the Activities of Terrorist Funding, and France now appoints an economic and financial investigating judge to assist the anti-terrorism magistrate in terrorist financing cases.

The EU and its member states have also been active participants in the Financial Action Task Force (FATF), an international, Paris-based organization responsible for setting global standards on combating money laundering and terrorism financing. The European Commission (the EU’s bureaucratic arm) and a number of European countries are among the 33 members of FATF. Perhaps as a result, Europe has been among the leaders in implementing FATF’s nine “special recommendations” to combat terrorist financing.

In addition to the changes made by the European governments, many of which are described above, the European private sector has also taken on greater responsibility in addressing terrorist financing. For example, based on the FATF recommendations, European financial institutions are subject to various “know your customer” requirements and must report suspicious financial transactions which might be indicative of terrorist financing.

Relatedly, all of the EU’s 27 member states have Financial Intelligence Units (FIU), and are part of the global FIU network, the Egmont Group. FIUs are centralized, national agencies responsible for detecting and fighting terrorism financing

and money laundering. An FIU's primary functions, as defined by Egmont, are to receive, analyze, and disseminate information about suspicious financial activity in the unit's respective country. FIUs are supposed to share this information not only with law enforcement in their own countries, but also with other units throughout the world. In the view of FATF, having a fully functioning FIU is an important component of an effective counterterrorism financing regime.

International Efforts Against Iran: While the Europeans are growing more concerned about the prospect of a nuclear Iran, to this point this has not correlated in increased focus on Hezbollah. Attempting to understand the Iranian threat, however, without including Hezbollah in the calculation is missing an important part of the picture. According to the US Director of National Intelligence, terrorism is a "key element" of Iran's national strategy, and Hezbollah "at the center" of this strategy. Incidentally, as my colleague Matthew Levitt explained in his testimony, there have even been occasions when Iran has transferred funds to Hezbollah through Europe.

Role of Law Enforcement and Intelligence: Of course, for a ban to have great impact, the EU member states would then have to step up their law enforcement and intelligence efforts against Hezbollah to get a better handle on its European activities. Once Hezbollah is officially recognized as a terrorist entity though, member states may be more likely to increase the resources and attention that they devote to investigating the organization. In addition, European countries will be far more likely to assist one another in Hezbollah-related investigations. In fact, the EU urges its member states to "fully exploit" the powers granted by the EU in the course of their investigations or prosecutions of designated entities.

An EU ban will likely be particularly effective in member states which have taken steps to criminalize the EU's list. While the EU requires countries to take administrative actions—such as freezing assets—against those on its list, some member states have gone further, and adopted related criminal penalties. For example, in Finland, a person who violates the sanctions regulations can be criminally charged, while in the United Kingdom, a 2006 order provides for criminal enforcement of the list.

WHAT WOULD IT TAKE FOR EUROPE TO BAN HEZBOLLAH?

Given the lack of transparency in the European designation process, it is difficult to determine what it will take for the Europeans to achieve consensus on this issue. It is not entirely clear, for example, whether countries such as Spain and Belgium are merely following France's lead in opposing a ban, or strongly hold this position independently. Should France shift its long-standing opposition, it is hard to know to what extent these countries will still be willing to defend this stance.

In any event, the Europeans are unlikely to move forward on a Hezbollah designation as long as they do not regard the organization as a direct threat. In this regard, the Europeans must recognize that while Hezbollah has not carried out attacks in Europe for a number of years, this could change rapidly. Hezbollah's infrastructure in Europe and its ties to Iran give it the capability to quickly ramp up and carry out an attack should the perceived need arise.

In fact, in their 2005–2006 annual report, the United Kingdom's Intelligence and Security Committee (ISC) posed a scenario which could lead down this path. The ISC noted that if the diplomatic negotiations with Iran over its nuclear program deteriorate, Iran might respond by unleashing its terrorist proxies—perhaps against UK interests.

There is little doubt that if Iran instructed Hezbollah to conduct an attack, that Hezbollah would follow through. A quote by Hezbollah Secretary General Hassan Nasrallah helps illustrate this point. Nasrallah once told his senior leaders that he would even "divorce his wife" if the Iranian supreme leader told him to do so.

CONCLUSION

As the Europeans have learned firsthand, accommodation is not often an effective strategy with terrorist organizations. There are several examples worth noting. In the early 1990s, the French decided that they should not aggressively crack down on the Algerian terrorist groups, and risk provoking them. After suffering a number of attacks at the hands of these groups, however, the French concluded that the strategy was not working. In response, they shifted their approach and adopted a far more aggressive domestic counterterrorism approach—an approach they still utilize today.

Prior to 9/11, the United Kingdom was also regarded as somewhat of a sanctuary for terrorists. In fact, the French frequently referred to London as "Londonistan" to reflect their views on the United Kingdom's tolerance for radical Islamists. A former

British Special Branch officer stated that there was actually an explicit agreement between the government and the jihadists: "There was a deal with these guys. We told them if you don't cause us any problems, then we won't bother you." After 9/11, the British realized that this strategy was no longer viable. To address this situation, they overhauled their counterterrorism efforts, making legislative changes, increasing their prioritization of counterterrorism, and utilizing a more aggressive law enforcement approach.

Germany also made a number of significant changes in response to the 9/11 attacks. Before 9/11, it was not a crime in Germany to be a member of a foreign terrorist organization, making it in some respects a logical place to plot an attack against a foreign country, such as the US. Indeed, the German government would have had a difficult time prosecuting the 9/11 plot members in Hamburg, even had German authorities discovered the plan prior to the attacks. After 9/11, the Germans amended this law, among other counterterrorism changes, to ensure that the country could no longer serve as a sanctuary for international terrorist organizations.

While there are certainly important distinctions between Hezbollah and al Qaeda type jihadists, the European should at least consider their prior experiences in deciding whether to blacklist Hezbollah. In weighing the likely benefits of a Hezbollah designation as well as the potential dangers of inaction, it should then be clear to the Europeans that banning Hezbollah is a necessary and productive step forward.

Mr. WEXLER. Thank you.

Mr. Ritzmann.

**STATEMENT OF MR. ALEXANDER RITZMANN, SENIOR FELLOW,
EUROPEAN FOUNDATION FOR DEMOCRACY**

Mr. RITZMANN. Chairman Wexler, Ranking Member Gallegly, members of the committee, thank you very much for the invitation to speak to you today. It is a real pleasure and an honor to be here.

During the time that I was a member of the Berlin State Parliament, dealing with radical Islam, I became increasingly concerned about Hezbollah's activities, not only in Germany, but throughout Europe. Though only a small group within the Muslim communities in Europe actually supports Islamist terrorism, we have a phenomenon of increased radicalization. Hezbollah's anti-Western propaganda, as well as its activities in Europe, are a big part of this problem.

I would like to start by saying that adding Hezbollah to the EU terrorist list is first and foremost something that has to be pursued by the Europeans. It is the duty and responsibility of all the 27 EU member state governments, as well as the EU itself, to act against terrorist structures and to protect its citizens. However, as the EU and many member states have failed to deliver so far, Europeans should appreciate support from its United States partners.

In this oral testimony, I would like to focus on the following two questions: Why is it important for the European Union to add Hezbollah to its terrorist list? And what can be done to encourage Hezbollah's designation as a terrorist entity by the EU?

So why is it important for the European Union? First of all, Hezbollah is a threat to EU interests. Hezbollah has been actively involved in terrorism ever since its creation in 1982. Hezbollah is known internationally for its kidnappings, hijackings and bombings against United States and European interests, and its ongoing attacks against Israel. Hezbollah has also proven in the past that it is willing and capable of striking within the European Union.

In the 1980s and 1990s, Hezbollah carried out bombings in France and Spain, as well as assassinations in Germany and Italy. Hezbollah operates networks for funding, recruitment, training,

and logistics in many of the EU member states, and has used EU territory as a launching pad from which operators infiltrate into Israel to conduct surveillance and carry out attacks. Hezbollah is also openly providing training, funding and logistics to Hamas and Palestinian Islamic Jihad, which are designated terrorist organizations by the EU.

Secondly, Hezbollah radicalizes Muslim communities within the EU. Hezbollah activists and propaganda outlets spread a consistent message of hate against Western values and encourage violent jihad. It broadcasts anti-Americanism and anti-Semitism, and incitement against the West in the EU through its TV station, al Manar, and various Web sites.

In context of the cartoon controversy last year, Hezbollah's chief, Nasrallah, used al Manar to call "all Muslims to sacrifice their lives to defend the honor of the prophet."

Radicalized Muslim youths in Germany, for example, were referring to al Manar as their main resource of information.

Although there have been no more Hezbollah attacks in the EU in recent years, the organization retains its capability to carry out such attacks. Hezbollah's operational terrorist capability also constitutes a potential weapon in the hands of the Iranian regime. In ignoring the threat from Hezbollah and the scope of its operations, European governments are putting hope above experience. In the end, this approach compromises the safety of European citizens.

So what can be done to encourage Hezbollah's designation as a terrorist entity by the EU?

To achieve this objective of convincing the European Union to designate Hezbollah, the United States should apply pressure in a low profile manner, refraining from publicly criticizing European leaders. A more effective approach is to work with select European allies and to provide additional information, intelligence and constructive arguments that these allies can use within Europe. The Hezbollah threat must be perceived as a threat to EU interests and not just as a U.S. priority.

This can be accomplished by identifying and working with European experts who can shed light on Hezbollah's activities and bring a deeper understanding of how Hezbollah uses Europe as a base for terrorism to European policymakers and the European public.

Other actions the U.S. should consider includes: Establishing a transatlantic working group on Hezbollah comprised of legislatures from the subcommittee and their counterparts from EU national government and the EU Parliament; calling on European Government and counterterrorism officials and experts to appear before that working group to testify on why Hezbollah should or should not be designated; legislating a provision of regular reports about Hezbollah's criminal and terrorist activity by Congress and encouraging similar reports by EU legislatures, security officials and the intelligence community. This could help to fill the knowledge gap pointed out by EU High Representative Solana.

So would designating Hezbollah a terrorist group by the EU make any difference?

Hezbollah leader Nasrallah said himself that a European black listing would destroy Hezbollah in Europe. It is time to find out if he is right.

I thank you for the opportunity to appear before the subcommittee and I am grateful that you have given me the chance to share my perspective from Europe.

[The prepared statement of Mr. Ritzmann follows:]

PREPARED STATEMENT OF MR. ALEXANDER RITZMANN, SENIOR FELLOW, EUROPEAN FOUNDATION FOR DEMOCRACY

Chairman Wexler, ranking member Gallegly, members of the committee, thank you very much for the invitation to speak to you today. It is a real pleasure and an honor to be here.

The mission of the European Foundation for Democracy (EFD), where I serve as a senior fellow, is to defend democratic values, promote freedom, and counter the ideologies that drive terrorism.

Based in Brussels, EFD works closely with European institutions as well as with individuals across the ethnic and political spectrum. In addition to supporting democracy and freedom around the world, our efforts also focus on the rule of law, gender equality, minority rights and independent judiciaries.

EFD and our partners at a European and transatlantic level support liberal democrats throughout the world who call for reform and condemn radical or violent ideologies.

Allow me a few words about Hezbollah in Europe. During the time that I was a member of the Berlin state Parliament, I became increasingly concerned about the growth of Hezbollah not only in Germany but throughout Europe.

Hezbollah arrived in the European Union in the 1980s, along with refugees from the civil war in Lebanon. Despite its deadly track record and a 2005 European Parliament resolution recommending the banning of the Iranian-funded group, it is still legal on the Continent. France, Spain, Belgium and Sweden prevent the EU from jointly designating Hezbollah as a terrorist organization.

Although it is closely monitored by German law enforcement and intelligence, Hezbollah enjoys significant operational freedom. In the late 1990s, for example, it was able to recruit in Germany Steven Smyrek, a German convert to Islam, and train him in Lebanon as a suicide bomber. He was luckily arrested at the Tel Aviv airport before he could blow up Israeli civilians.

German security services believe that about 900 Hezbollah activists are in the country and regularly meet in 30 cultural community centers and mosques. These activists financially support Hezbollah in Lebanon through fund-raising organizations, such as the "Orphans Project Lebanon Association." This harmless-sounding charity belongs to the Lebanese al-Shahid (the Martyr) Association, which is part of the Hezbollah network that supports the families of militia fighters and suicide bombers.

According to a German government report from February, the attitude of Hezbollah supporters in Germany "is characterized by a far-reaching, unlimited acceptance of the ideology and policy (of Hezbollah)." Berlin is also aware that representatives of Hezbollah's "foreign affairs office" in Lebanon regularly travel to Germany to give orders to their followers.

So why does the German government tolerate these activities?

First, the Hezbollah leadership in Beirut recognizes the value of a German safe haven, along with other countries in Europe where Hezbollah acts with impunity. Hezbollah members carefully obey most German laws. But experience from attacks in the U.S., Britain and elsewhere suggest, however, that terrorists follow the law up and until the point they decide to strike. I would add that the most likely scenario for Hezbollah carrying out attacks in Europe is *not* a sudden surprise attack by Hezbollah members but rather a) Hezbollah used as a retaliatory force following serious action against Iran; or, b) Hezbollah adopting a threatening posture on Iran's behalf.

Second, too many German policymakers uncritically accept the idea that there is a political Hezbollah—an Islamist but legitimate movement independent of those Hezbollah terrorists who have murdered hundreds of people around the world. They do this at their own peril and even ignore Hezbollah's own words. As Mohammed Fannish, member of the so-called political bureau of Hezbollah and former Lebanese energy minister, put it in 2002: "I can state that there is no separating between Hezbollah's military and political arms."

Hezbollah's leadership, the Shurah Council, controls the totality of its activities—social, political and what it calls "military." Funding for Hezbollah is fungible: Money collected in Germany supposedly for social and political causes frees up funds for terrorist attacks.

In ignoring the threat from Hezbollah and the scope of its operations, the German government—and other European countries—are putting hope above experience. In the end, this approach compromises the safety of European citizens.

For example, on July 31, 2006, two Lebanese students, Yussuf Mohammed El Hajdib and Jihad Hamad, placed bombs hidden in suitcases on two regional trains in Germany, but they failed to go off. Germany's federal law enforcement agency concluded that a successful explosion would have resulted in a tragedy on par with the London subway attacks of July 2005. The two suspects said they wanted to take revenge for the Danish cartoons of the prophet Mohammed.

Just four months earlier, on a broadcast reaching all of Europe, Hezbollah leader Hassan Nasrallah repeatedly urged Muslims on Hezbollah's TV-station Al-Manar "to take a decisive stand" in the cartoon controversy (see details below). While the German federal prosecutor is still investigating the organizational affiliations of these two Lebanese terror suspects, it is clear that the role of Al-Manar as a tool of incitement, fundraising and recruitment for Hezbollah is a significant security problem in Europe.

The following questions regarding this hearing's topic of "Adding Hezbollah to the EU Terrorist List" will be addressed in my testimony today.

- 1) Why is it important for the European Union (EU) to add Hezbollah to its terrorist list?
- 2) How does the EU designation process work?
- 3) What is the impact of a designation?
- 4) Why is Hezbollah not yet a designated terrorist organization by the EU?
- 5) What can be done to encourage Hezbollah's designation as a terrorist entity by the EU?

1) WHY IS IT IMPORTANT FOR THE EUROPEAN UNION (EU) TO ADD HEZBOLLAH TO ITS TERRORIST LIST?

a) Hezbollah is a threat to EU interests

Hezbollah has been actively involved in terrorism ever since its creation in 1982. Hezbollah is known internationally for its kidnappings, hijackings and bombings against U.S. and European interests and its ongoing attacks against Israel. Before turning to Hezbollah's threat against the EU specifically, I would note a) that Hezbollah has struck Western targets, such as the Marine barracks in Beirut in October 1983 and the American embassy in Beirut in September 1984. In the mid-1980s, Hezbollah kidnapped a large number of Americans in Lebanon, and caused the death of several—including CIA station chief William Buckley and American University of Beirut librarian Peter Kilburn; b) in the 1990s, Hezbollah went international, with attacks on Jewish and Israeli targets in Argentina, and evidence suggesting that Hezbollah tried to carry out attacks on Jewish/Israeli targets in London, Thailand, and Singapore.

Hezbollah has also proven in the past that it is willing and capable of striking within the EU. In the 1980s and 1990s Hezbollah killed French peacekeeping forces in Beirut and carried out bombings in France and Spain as well as assassinations in Germany and Italy.

Hezbollah operates networks for funding, recruitment, training and logistics in many of the EU member states and has used EU territory as a launching pad from which operatives infiltrate into Israel to conduct surveillance and carry out attacks.

Hezbollah has been credited with inventing the modern use of 'suicide bombing', and is openly providing training, funding and logistics to HAMAS and Palestinian Islamic Jihad which are designated terrorist organizations by the EU.

b) Hezbollah radicalizes Muslim communities in the EU

Hezbollah activists and propaganda outlets spread a consistent message of hate against Western values and encourage violent jihad as means to act on these sentiments. As I have noted, it broadcasts anti-Americanism, anti-Semitism and incitement against the West in the EU through its TV station Al Manar and various websites. Hezbollah's hate propaganda includes calls of "Death to America," "Death to Israel," the glorification of martyrdom and the dehumanization of Israelis as well as of Jews.

To give a typical example, Hezbollah leader Hassan Nasrallah said the following in context of the cartoon controversy in 2006 which was broadcasted repeatedly by Al-Manar:

"If any Muslim had carried out the fatwa of Imam Khomeini against the apostate Salman Rushdie, those despicable people would not have dared to insult

the Prophet Muhammad—not in Denmark, not in Norway, and not in France . . . I call upon . . . all the Muslims to take a decisive stand . . . *I am certain that not only millions, but hundreds of millions, of Muslims are ready and willing to sacrifice their lives in order to defend the honor of their Prophet. And you are among them.*”

Interviews of radicalized Muslim youth on German television have shown that they use Al-Manar TV as their primary source of information.

The incitement broadcast on Al-Manar has received the attention of members of Congress, the US Administration, European legislators, and European audiovisual authorities, working with non-governmental organizations including the Coalition Against Terrorist Media (CATM), comprised of Muslim, Christian, Jewish, and secular organizations, including my organization, the European Foundation for Democracy and the Washington-based Foundation for Defense of Democracies. As a result of these efforts, Al Manar was dropped from four European satellite providers—Spanish, Dutch and two French—to enforce the European Union’s Television Without Frontiers directive against “incitement to racial and/or religious hatred.”

The US Treasury Department has designated Al-Manar a Specially Designated Global Terrorist entity. Four other satellite providers—US, Brazilian, Australian and one Hong-Kong based provider—terminated broadcasting of the station and multinational advertisers ceased almost \$2 million in annual advertising on the station. Al-Manar, however, is still broadcasting into Europe, the Middle East, and North Africa from its two remaining satellite providers, the Egyptian-based Nilesat and the Saudi-based ARABSAT. If European countries want to send a strong message to these satellite providers and the countries that host them that incitement to violence broadcasting into living rooms throughout Europe is unacceptable, the designation of Hezbollah is an important first step.

Although there have been no more Hezbollah attacks in the EU in recent years, the organization maintains its capability to carry out such attacks. As I have noted, Hezbollah’s operational-terrorist capability also constitutes a potential weapon in the hands of the Iranian regime, which it can utilize in the future in line with “strategic considerations” e.g., in advance or in response to a US or an Israeli offensive against Iran’s nuclear facilities.

2) HOW DOES THE EU DESIGNATION PROCESS WORK?

The decision on whether or not to include or remove an individual or an organization on the EU list of terrorist organizations is made by the Council of Ministers. Individual cases are examined by the “Clearing House,” a technical working group of the Council of Ministers comprised of national experts from law enforcement and judicial authorities as well as intelligence services. Which bodies are represented depends on the individual member states and on how they are structured. According to the rules, evidence for ongoing terrorist activities has to be presented. The decisions to include organizations or individuals for designation are revised every six months. Details about the actual members of the Clearing House and on what grounds individuals or entities finally become listed or not remain classified. All decisions relating to the EU terrorist list have to be made by the unanimous agreement of the 27 EU member states.

In short, the Clearing House process’s lack of transparency and the requirement for consensus on the part of all 27 EU members make designation an important though difficult goal but one that should be considered as part of a fuller list of options to hinder Hezbollah’s operations in Europe.

3) WHAT WOULD BE THE IMPACT OF A DESIGNATION?

An EU designation would permit the European Union and member states to initiate a process of “freezing the funds and other financial assets or economic resources” of Hezbollah; EU member states could “ensure that funds, financial assets or economic resources or financial or other related services will not be made available, directly or indirectly,” for the benefit of Hezbollah.

Although observers believe that Hezbollah receives annual support of about \$100 million from Iran, the designation of Hezbollah by the EU would be a significant step in the effort to stem the group’s international financial activity. In 2005 Hezbollah leader Hassan Nasrallah spelled out the consequences of a designation by the European Union: “The sources of funding will dry up and the sources of moral, political and material support will be destroyed.”

4) WHY IS HEZBOLLAH NOT YET A DESIGNATED TERRORIST ORGANIZATION BY THE EU?

There are several points to be made about why Hezbollah has not yet been designated a terrorist organization by the EU.

While Britain and Germany have lobbied for the EU to include Hezbollah on its terrorist list, other European countries—notably France, Sweden, Greece, Spain, Italy and Belgium—have opposed the idea. There is, however, contradicting information available about the actual position of other EU member states regarding this question.

Even while the E.U. has not designated Hezbollah as a terrorist organization, several member countries have taken action on their own.

On May 3, 2002, the EU placed several individual Hezbollah terrorists, including Hezbollah's "Senior Intelligence Officer" and head of international operations Imad Mugniyah on its terrorist list.

In 2004 the Netherlands designated Hezbollah a terrorist organization, concluding "that Hezbollah's political and terrorist wings are controlled by one coordinating council. This means, the Dutch government concluded, that "there is indeed a link between these parts of the organization. The Netherlands has changed its policy and no longer makes a distinction between the political and terrorist Hezbollah branches."

The United Kingdom designated Hezbollah's external security organization as a terrorist entity.

In Aug 2006, the Finnish Presidency of the EU stated: "The EU will not for the time being put the Islamist Hezbollah movement on its blacklist of terrorist organizations but the discussion could re-emerge in the future."

On 10 March 2005 the European Parliament passed a non-binding resolution recognizing "clear evidence" of "terrorist activities by Hezbollah. The EU Council should take all necessary steps to curtail them." The EU Council, however, has refused to act yet.

The key arguments brought forward by those opposing Hezbollah's designation as a terrorist organization are that:

- A) The designation would destabilize Lebanon and the Middle East peace process.
- B) Hezbollah is a legitimate resistance movement against Israeli occupation, not a terrorist organization.
- C) Hezbollah, the "Party of God," is a legitimate political party with separate political, social and military wings.

Allow me to examine these hypotheses:

Destabilizing Lebanon and the Middle East Peace Process

Hezbollah has been identified as a key destabilizing factor in Lebanon. Amongst its stated objectives are the establishment of a Shiite theocracy in Lebanon, the destruction of Israel and the elimination of Western influences from the region. Taking those objectives into consideration, it seems extremely unlikely that Hezbollah is interested in stabilizing the fragile pluralistic political system in Lebanon. Regarding the broader Middle East peace process, Hezbollah has openly opposed any peace negotiations between the PLO and Israel and called former PLO chairman Yassir Arafat a traitor to the Palestinian cause. In 2005 the Palestinian Authority called for Hezbollah's designation as a terrorist organization by the EU as the PA regarded the organization as the single most dangerous threat to the peace process.

Hezbollah is a resistance movement against Israeli occupation

Hezbollah claims that it is a resistance movement fighting against Israel. Since Israel's withdrawal from Lebanon in 2000, Hezbollah now claims that Israel still occupies the so-called Sheba farms. According to the United Nations, however, Israel has fully withdrawn from Lebanese territory. Even Syria, Hezbollah's sponsor, claims that the Sheba farms are Syrian not Lebanese territory. The Sheba farms claim is not plausible.

Hezbollah is a legitimate political party

According to its own words Hezbollah is not a political party. In an interview granted on April 16, 2007 to Al-Kawthar, an Iranian TV channel, Sheikh Naim Qassem, Hassan Nasrallah's deputy, explained that Hezbollah was founded and commenced activities in 1982, based on a religious ruling made by Iranian Imam Khomeini, who considered jihad against Israel to be an Islamic religious duty. Qassem also stressed that Hezbollah's policy of terrorist operations against Israel (including suicide bombings and rocket fire) requires jurisprudential permission of the Iranian leadership.

As I have noted, Muhammad Fannish, member of the political bureau of Hezbollah and former Lebanese energy minister stated: ". . . there is no separating

between Hezbollah's military and political branch." Hezbollah's leadership, the Shurah council, controls all its activities, whether they are social, political or military.

The broad support of Hezbollah within the Shiite Muslim community in Lebanon seems to be strongly related to its social and economic activities. The UN Office for the Coordination of Humanitarian Affairs noted in March 2006:

"Hezbollah currently operates at least four hospitals, 12 clinics, 12 schools and two agricultural centers. It also has an environmental department and an extensive social assistance program. Medical care is also cheaper than in most of the country's private hospitals and free for Hezbollah members."

Ahmad Nizar Hamzeh, a professor at American University in Beirut, characterized Hezbollah in the following terms: "*Hezbollah is first and foremost a jihadi movement that engages in politics, and not a political party that conducts jihad.*"

In addition to the considerations above which have been used in arguing against the designation of Hezbollah, some EU member states remain reluctant to confront Hezbollah for fear of potential retaliation of Hezbollah against their UNIFIL soldiers in Lebanon or even civilian targets at home. Other member states do not feel affected or threatened by Hezbollah and feel little urgency to act. The different interests and perceptions of the problem within the EU membership make achieving unanimity very difficult.

5) WHAT CAN BE DONE TO ENCOURAGE HEZBOLLAH'S DESIGNATION AS A TERRORIST ENTITY BY THE EU?

To achieve its objective of convincing the EU to designate Hezbollah, the U.S. should apply pressure in a low profile manner refraining from publicly criticizing European leaders. A more effective approach is to work with select European allies and to provide additional information, intelligence and constructive arguments that these allies can use within Europe. The Hezbollah threat must be perceived as a threat to EU interests and not just a US priority. This can be accomplished by identifying and working with European experts who can shed light on Hezbollah's activities and bring a deeper understanding of how Hezbollah uses Europe as a base for terrorism to European policymakers and the European public.

As noted earlier, the Clearing House process is an important one, but requires the consensus of 27 countries in order for Hezbollah to be designated. As such the U.S. ought to assume a two-step process. The process would focus both on getting consensus by member countries to designate Hezbollah as a terrorist organization and would encourage each country to designate Hezbollah as a terrorist organization within their own governments.

It is important to note there that many of the EU countries do not have a mechanism to designate organizations as terrorist entities—even though such a mechanism is required under UN Security Council Resolution 1373. The U.S. ought to work with them to establish such mechanisms and as well as appropriate targeted sanctions regimes.

Other actions the U.S. should consider include:

- Establishing a transatlantic working group on Hezbollah comprised of legislators from the subcommittee and their counterparts from EU national governments and the EU parliament.
- Legislating the provision of regular reports about Hezbollah criminal and terrorist activity by Congress and encouraging similar reports by EU legislators, security officials and the intelligence community.
- Calling on European government and counterterrorism officials and experts to appear before the working group to testify on why Hezbollah should be designated.

From my experience, the German government has shown strong resolve when it saw a threat to German security. It banned the Hamas "charity" al-Aqsa as well as the radical Sunni Islamist Hizb-ut Tahrir group. And it joined the EU in designating both HAMAS, as well as the PKK, the radical Kurdish group, as terrorist organizations.

Would branding the "Party of God" a terrorist group make any difference? Let me come back to the words of Nasrallah himself: European blacklisting would "destroy Hezbollah. The sources of our funding will dry up and the sources of moral, political and material support will be destroyed."

I thank you for the opportunity to appear before this subcommittee and am grateful that you have given me the chance to share a perspective from Europe. While you will find many who do not share my view on the importance of designating Hezbollah, in my experience, once European leaders and the general population con-

siders this more thoroughly, you will find partners who understand the need to address this serious threat.

Mr. WEXLER. Thank you very much. Mr. Phillips.

**STATEMENT OF MR. JAMES PHILLIPS, RESEARCH FELLOW
FOR MIDDLE EASTERN AFFAIRS, THE KATHRYN AND SHELBY
CULLOM DAVIS INSTITUTE FOR INTERNATIONAL STUDIES,
THE HERITAGE FOUNDATION**

Mr. PHILLIPS. I would like to thank the committee and especially you, Chairman Wexler, for giving me the opportunity to testify today. I would like to summarize my prepared testimony, just focusing narrowly on Hezbollah's threat to Europe and its weak policy response.

Hezbollah is a cancer that has metastasized, expanding its operations from Lebanon, first to strike regional targets in the Middle East and then far beyond. It is supported by the two chief state sponsors of terrorism in the world today, Iran and Syria, and poses a direct threat to EU citizens both at home and those traveling abroad, especially in the Middle East.

As the chairman noted, German intelligence officials estimate roughly 900 Hezbollah members live in Germany alone, and Hezbollah has stretched his tentacles beyond into Europe, including planting support cells in Belgium, Bosnia, Britain, Bulgaria, Croatia, Cyprus, Denmark, France, Germany, Greece, Italy, Lithuania, Norway, Romania, Russia, Slovenia, Spain, Sweden, Switzerland, Turkey and Ukraine, according to press reports.

In addition to the direct threat Hezbollah poses to Europeans, it also poses an indirect threat by virtue of its collaboration with other terrorist groups that have targeted Europeans, and many of these groups already have been placed on the EU terrorism list, including Hamas, Palestinian Islamic Jihad, and Fatah's Al-Aqsa Martyrs' Brigades, al-Qaeda and several of its affiliates.

The European Union has dragged its feet on taking serious action against Hezbollah, and this is, in my opinion, short-sighted and irresponsible. It not only lets down its allies but it fails to safeguard its own citizens. The EU mistakenly has embraced the fallacy that terrorist operations can be separated from the other activities of revolutionary organizations. Attempts to compartmentalize the perceived threat by accepting the fiction that a political wing is qualitatively different from a military wing are self-defeating, and this is a distinction without a difference. No genuine political party would finance suicide bombings and accumulate an arsenal of over 10,000 rockets to be indiscriminately lobbed at civilians in a neighboring country.

Agreeing to accept this false distinction is extremely dangerous. It allows Hezbollah to continue raising money for violent purposes, and money is fungible. Funds raised in Europe ostensibly to finance charitable and political causes free up money to finance terrorist attacks elsewhere.

Some Europeans may hope that by passively accepting Hezbollah's fund raising activities that the U.N. can escape its terror, but this ostrich-like policy ignores the fact that fund raising cells easily can transform themselves into operational terror cells if called upon to do so.

Hezbollah cells are like stem cells that can morph into other forms and take on new duties. The FBI has warned that Hezbollah support cells in the United States could also undertake terrorist attacks, and the same is true in Europe.

How can the EU leaders be persuaded to take concerted and systematic action against Hezbollah?

I think, first and foremost, they must be led to understand that in the long run this is the best way to protect their own people, the highest duty of government. Wishful thinking about inducing Hezbollah to stray from the fundamental tenets of its own ideology will only compromise the security of EU citizens. Turning a blind eye to Hezbollah activities will only allow it to metastasize into a more deadly terrorist threat.

Cracking down on Hezbollah activities would not only reduce the potential terrorist threat to Europe, but would reduce the threat of its other activities, such as drug smuggling, criminal enterprises and efforts to radicalize Europe's Muslim communities.

Banning Hezbollah would also be a step that would help stabilize the volatile Middle East and support Arab-Israeli peace efforts. Even the Palestinian Authority has requested that the EU ban Hezbollah, complaining that Hezbollah was recruiting Palestinian suicide bombers to sabotage its tenuous relationship with Israel.

Putting Hezbollah on the EU terrorism list also would help stabilize Lebanon where U.N. Security Council Resolution 1559 calls for the disarming of all militias in Lebanon, and Hezbollah is Lebanon's biggest militia.

Banning Hezbollah would also contribute to the containment of Iran's rising power, and as the other witnesses have mentioned, Tehran has used Hezbollah as its surrogate in the past, and in my opinion is likely to do so again in the future.

Finally, I think the EU can no longer afford to ignore Hezbollah's festering threat or hope to deflect its attacks onto other countries. The longer the EU balks at effective action, the stronger the potential threat grows funded by the free flow of donations, diverted charitable funds and criminal booty out of the EU and the payments for drugs smuggled into the EU.

As Winston Churchill observed, "An appeaser is one who feeds a crocodile, hoping it will eat him last." And the Hezbollah crocodile has eaten half of Lebanon already. It has laid dangerous eggs around the world, and the EU must take proactive action and not wait for these eggs to hatch.

[The prepared statement of Mr. Phillips follows:]

PREPARED STATEMENT OF MR. JAMES PHILLIPS, RESEARCH FELLOW FOR MIDDLE EASTERN AFFAIRS, THE KATHRYN AND SHELBY CULLOM DAVIS INSTITUTE FOR INTERNATIONAL STUDIES, THE HERITAGE FOUNDATION

HEZBOLLAH'S TERRORIST THREAT TO THE EUROPEAN UNION

Hezbollah ("Party of God"), the radical Lebanon-based Shiite revolutionary movement poses a clear terrorist threat to international security. Hezbollah terrorists have murdered Americans, Israelis, Lebanese, Europeans and the citizens of many other nations. Originally founded in 1982, this Lebanese group has evolved from a local menace into a global terrorist network strongly backed by radical regimes in Iran and Syria, and funded by a web of charitable organizations, criminal activities, and front companies.

Hezbollah regards terrorism not only as a useful tool for advancing its revolutionary agenda but as a religious duty as part of a "global jihad." It helped to intro-

duce and popularize the horrific tactic of suicide bombings in Lebanon in the 1980s, developed a strong guerrilla force and a political apparatus in the 1990s, and became a major destabilizing influence in the Arab-Israeli conflict in the last decade.

Hezbollah murdered more Americans than any other terrorist group before September 11, 2001. Despite al-Qaeda's increased visibility since then, Hezbollah remains a bigger, better equipped, better organized, and potentially more dangerous terrorist organization, in part because it enjoys the unstinting support of the two chief state sponsors of terrorism in the world today: Iran and Syria. Hezbollah's threat potential led former Deputy Secretary of State Richard Armitage to dub it "the A team of terrorism."

Hezbollah is a cancer that has metastasized, expanding its operations from Lebanon, first to strike regional targets in the Middle East, then far beyond. It now is truly a global terrorist threat that draws financial and logistical support from the Lebanese Shiite diaspora in the Middle East, Europe, Africa, Southeast Asia, North America, and South America. Hezbollah fundraising and equipment procurement cells have been detected and broken up in the United States and Canada. Europe is believed to contain many more of these cells.

Hezbollah has been implicated in numerous terrorist attacks against Americans, including:

- The April 18, 1983 bombing of the U.S. Embassy in Beirut Lebanon, which killed 63 people, including 17 Americans.
- The October 23, 1983 suicide truck bombing of the Marine barracks at Beirut Airport, which killed 241 Marines deployed as part of the multinational peacekeeping force in Lebanon.
- The September 20, 1984 bombing of the US embassy annex in Lebanon.
- The 1996 Khobar Towers bombing, which killed 19 American servicemen stationed in Saudi Arabia.

Hezbollah also was involved in the kidnapping of several dozen Westerners, including 14 Americans, who were held as hostages in Lebanon in the 1980s. The American hostages eventually became pawns that Iran used as leverage in the secret negotiations that led to the Iran Contra affair in the mid-1980s.

Hezbollah has launched numerous attacks at far flung targets outside the Middle East. Hezbollah perpetrated the two deadliest terrorist attacks in the history of South America: the March 1992 bombing of the Israeli Embassy in Buenos Aires, Argentina which killed 29 people and the July 1994 bombing of a Jewish community center in Buenos Aires that killed 96 people. The trial of those implicated in the 1994 bombing revealed an extensive Hezbollah presence in Argentina and other countries in South America. Hezbollah also was involved in aborted attempts to bomb the Israeli Embassy in Bangkok, Thailand in 1994 and in a failed plot in Singapore.

HEZBOLLAH'S TERRORIST THREAT IN EUROPE

Hezbollah poses a direct threat to EU citizens at home and those traveling abroad, especially in the Middle East. Hezbollah established a presence inside European countries in the 1980s amid the influx of Lebanese citizens seeking to escape Lebanon's brutal civil war and recurring clashes between Israel and Palestinian terrorists based in Lebanese refugee camps. Hezbollah took root among Lebanese Shiite immigrant communities throughout Europe. German intelligence officials estimate that roughly 900 Hezbollah members live in Germany alone. Hezbollah also has developed an extensive web of fundraising and logistical support cells spread throughout Europe.

France and Britain have been the principal European targets of Hezbollah terrorism, in part because both countries opposed Hezbollah's agenda in Lebanon and both were perceived to be enemies of Iran, Hezbollah's chief patron. Hezbollah has been involved in many terrorist attacks against Europeans, including:

- The October 1983 bombing of the French contingent of the multinational peacekeeping force in Lebanon, on the same day as the U.S. Marine barracks bombing, which killed 58 French soldiers.
- The December 1983 bombing of the French Embassy in Kuwait.
- The April 1985 bombing of a restaurant near a U.S. base in Madrid, Spain, which killed 18 Spanish citizens.
- A campaign of 13 bombings in France in 1986 that targeted shopping centers and railroad facilities, killing 13 people and wounding more than 250.

- A March 1989 attempt to assassinate British novelist Salman Rushdie failed when a bomb exploded prematurely, killing a terrorist in London.

Hezbollah attacks in Europe trailed off in the 1990s, after Hezbollah's Iranian sponsors accepted a truce in their bloody 1980–1988 war with Iraq and no longer needed a surrogate to punish states that Tehran perceived to be supporting Iraq. But this lull could quickly come to an end if the situation changes in Lebanon or Iran is embroiled in another conflict. Significantly, the participation of European troops in Lebanese peacekeeping operations, which became a lightning rod for Hezbollah terrorist attacks in the 1980s, again could become an issue today, as Hezbollah attempts to revive its aggressive operations in southern Lebanon. Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, and Sweden have contributed troops to the UNIFIL peacekeeping force. Troops from EU member states may then find themselves attacked by Hezbollah with weapons financed by Hezbollah's supporters in their home countries.

Hezbollah operatives are deployed throughout Europe according to intelligence officials, including Belgium, Bosnia, Britain, Bulgaria, Croatia, Cyprus, Denmark, France, Germany, Greece, Italy, Lithuania, Norway, Romania, Russia, Slovenia, Spain, Sweden, Switzerland, Turkey, and Ukraine.

HEZBOLLAH'S RADICALIZING INFLUENCE ON EUROPEAN MUSLIMS

Europe's vacation from Hezbollah terrorist attacks could come to a swift end if Hezbollah succeeds in its attempts to convert European Muslims to its harsh ideology. Young Muslim militants in Berlin, asked in a television interview to explain their hatred of the United States and Jews, cited Hezbollah's al-Manar TV as one of their main sources of information. Ideas have consequences. In July 2006, four months after Hezbollah leader Hassan Nasrallah, in an interview broadcast on al-Manar TV, called for Muslims to take a decisive stand against the Danish cartoons featuring the prophet Mohammed, two Lebanese students sought to bomb two trains in Germany as a reprisal for the cartoons, but the bombs failed to detonate.

Clearly, Europeans are exposing themselves to increased risks of terrorism as long as they allow Hezbollah's political and propaganda apparatus to spew a witch's brew of hatred, incitement, and calls for vengeance.

HEZBOLLAH'S ROLE AS A PROXY FOR IRAN

Hezbollah is a close ally, frequent surrogate, and terrorist subcontractor for Iran's revolutionary Islamic regime. Iran played a crucial role in creating Hezbollah in 1982 as a vehicle for exporting its revolution, mobilizing Lebanese Shia, and developing a terrorist surrogate for attacks on Iran's enemies. Tehran provides the bulk of Hezbollah's foreign support: arms, training, logistical support and money. Iran provides at least \$100 million and probably closer to \$200 million of annual support for Hezbollah, and has lavishly stocked Hezbollah's expensive and extensive arsenal of Katyusha rockets, sophisticated mines, small arms, ammunition, explosives, anti-ship missiles, anti-aircraft missiles, and even unmanned aerial vehicles (UAVs) that Hezbollah can use for aerial surveillance or remotely-piloted terrorist attacks. Iranian Revolutionary Guards have trained Hezbollah terrorists in Lebanon's Bekaa Valley and in Iran.

Iran has used Hezbollah as a club to hit not only Israel and its Western enemies, but also many Arab countries. Iran's revolutionary ideology has fed its hostility to other Muslim governments, which it seeks to overthrow and replace with radical allies. Iran used Hezbollah to launch terrorist attacks against Iraqi targets, and against Arab states that sided with Iraq, during the Iran-Iraq war. Hezbollah launched numerous terrorist attacks against Saudi Arabia and Kuwait, which extended strong financial support to Iraq's war effort, and participated in several other terrorist operations in Bahrain and the United Arab Emirates. Iranian officials conspired with the Saudi branch of Hezbollah to conduct the 1996 Khobar Towers bombing in Saudi Arabia. Today, Hezbollah continues to cooperate with Iranian Revolutionary Guards to destabilize Iraq, where both help train and equip the Mahdi Army, the radical anti-Western Shiite militia led by the militant cleric Moqtada al-Sadr.

By refusing to use its economic leverage over Iran to dissuade Tehran from continuing its troubling nuclear weapons program, the EU is making a military clash between the United States and Iran much more likely. In that event, Hezbollah cells throughout Europe are likely to be activated to strike at American and perhaps NATO targets. Even if Hezbollah elects to restrict its focus to American embassies, businesses, and tourists, many Europeans are likely to perish in such attacks.

HEZBOLLAH'S TIES WITH OTHER TERRORIST GROUPS

In addition to the direct threat Hezbollah poses to Europeans, it also poses an indirect threat by virtue of its collaboration with other terrorist groups that have targeted Europeans. Many of these groups already have been placed on the EU terrorism list.

Hezbollah has developed a cooperative relationship on an ad hoc basis with the al-Qaeda terrorist network and several radical Palestinian groups. In June 2002 U.S. and European Intelligence officials noted that Hezbollah was "increasingly teaming up with al-Qaeda on logistics and training for terrorist operations." Both al-Qaeda and Hezbollah established training bases in Sudan after the 1989 coup that brought the radical National Islamic Front to power. Iran's Revolutionary Guards, which also established a strong presence in Sudan to support the Sudanese regime, ran several training camps for Arab radical Islamic groups there, and may have facilitated cooperative efforts between the two terrorist groups.

Another worrisome web of cooperation between Hezbollah, al-Qaeda, and Hamas support networks is flourishing in the tri-border region at the juncture of Argentina, Brazil, and Paraguay. This lawless and corrupt region has provided lucrative opportunities for Hezbollah supporters to raise funds, launder money, obtain fraudulent documents, pass counterfeit currency and smuggle drugs, arms, and people.

Modern terrorist networks often are comprised of loosely organized transnational webs of autonomous cells, which help them to defeat the efforts of various law enforcement, intelligence, and internal security agencies to dismantle them. This decentralized structure also helps to conceal the hand of state sponsors who seek to use terrorist groups for their own ends while minimizing the risk of retaliation from states targeted by the terrorists.

The amorphous non-hierarchical nature of the networks, and their linkages with cooperative criminal networks, leads to a situation in which some nodes of the web function as part of more than one terrorist group. This cross-pollination of terrorist networks makes it difficult to determine where one terrorist group ends and another one begins. Therefore, giving Hezbollah a free pass to operate inside the European Union also aids other groups who are plugged into the same web of criminal gangs, family enterprises, or clan networks.

In 2002, Germany closed down a charitable fundraising organization, the al-Aqsa Fund, which reportedly was a Hamas front that also raised money for Hezbollah. Hezbollah also has colluded with al-Qaeda affiliates in Asia. Abdul Nasser Nooh assisted both Hezbollah and al-Qaeda activities and Muhammad Amed al-Khalifa, a Hezbollah member, was involved in sending a shipment of explosives to the Philippines through an al-Qaeda front company.

According to U.S. intelligence officials, Hezbollah has cooperated with the terrorist network formerly led by the late Abu Musab al-Zarqawi, who was killed in Iraq in 2006. This network officially became part of al-Qaeda in 2004. Despite Zarqawi's militantly anti-Shia views, the two groups have reportedly coordinated terrorist efforts against Israel on an ad hoc basis. Zarqawi's network, comprised of Sunni extremists from the Palestinian territories, Jordan, Syria, Lebanon, Iraq and other countries, has a strong fundraising and support infrastructure in Europe that poses a significant threat to Europeans as well as citizens of a wide range of other countries.

In the Middle East, Hezbollah has cooperated with Hamas, Palestinian Islamic Jihad, and Fatah's Al-Aqsa Martyrs' Brigades to launch terrorist attacks against Israelis. After the outbreak of the second Palestinian intifada in 2000, Hezbollah's notorious terrorism coordinator, Imad Mugniyah, was selected by Iran to assist Palestinian terrorist operations against Israel. Mugniyah reportedly played a role in facilitating the shipment of 50 tons of Iranian arms and military supplies to Palestinian militants on board the freighter *Karine A*, which was intercepted by Israeli naval forces in the Red Sea in January 2002 before its cargo could be delivered. Hezbollah has also provided Hamas and other Palestinian extremist groups with technical expertise for suicide bombing.

HEZBOLLAH'S DESTABILIZING INFLUENCE IN THE MIDDLE EAST

Hezbollah threatens the security and stability of the Middle East, and European interests in the Middle East, on a number of fronts. In addition to its murderous campaign against Israel, Hezbollah seeks to violently impose its totalitarian agenda and subvert democracy in Lebanon. Although some experts believed that Hezbollah's participation in the 1992 Lebanese elections and subsequent inclusion in Lebanon's parliament and coalition governments would moderate its behavior, its political inclusion brought only cosmetic changes.

After Israel's May 2000 withdrawal from southern Lebanon and the September 2000 outbreak of fighting between Israelis and Palestinians, Hezbollah stepped up its support for Palestinian extremist groups such as Hamas, Palestinian Islamic Jihad, the al-Aqsa Martyrs' Brigades, and the Popular Front for the Liberation of Palestine. It also expanded its own operations in the West Bank and Gaza and provided funding for specific attacks launched by other groups.

In July 2006, Hezbollah forces crossed the internationally recognized border to kidnap Israeli soldiers inside Israel, igniting a military clash that claimed hundreds of lives and severely damaged the economies on both sides of the border. Hezbollah is rebuilding its depleted arsenal with financial support from its European fundraising networks. This poses a threat to European soldiers in the UN peacekeeping force in Lebanon. To be consistent, the E.U. should ban such fundraising.

Hezbollah uses Europe as a staging area and recruiting ground for infiltrating terrorists into Israel. Hezbollah has dispatched operatives to Israel from Europe to gather intelligence and execute terrorist attacks. Examples of Hezbollah operatives who have traveled to Israel from Europe include: Hussein Makdad, a Lebanese national, who used a forged British passport to enter Israel from Switzerland in 1996 and injured himself in a premature bomb explosion in his Jerusalem hotel room; Stefan Smirnak, a German convert to Islam who was trained by Hezbollah in Lebanon, was arrested at Ben Gurion airport after flying to Israel in 1997; Fawzi Ayoub, a Canadian citizen of Lebanese descent, was arrested in 2000 after traveling to Israel on a boat from Europe; and Gerard Shuman, a dual Lebanese-British citizen, who was arrested in Israel in 2001.

HEZBOLLAH DRUG SMUGGLING

Long before al-Qaeda and the Taliban began to finance their operations using the profits of drug smuggling from Afghanistan, Hezbollah was a major supplier of illicit drugs to Europe and other regions. The organization tapped into longstanding smuggling networks operated by Shiite clans in Lebanon's Bekaa Valley, a Hezbollah stronghold. Hezbollah raises money from smuggling Lebanese opium, hashish, and heroin. It also traffics in illicit drugs in the Tri-border region of South America. Hezbollah cells also engage in other forms of criminal activity, such as credit card fraud, and trafficking in "conflict diamonds" in Sierra Leone, Congo, and Liberia, to finance their activities.

THE EU'S OSTRICH-LIKE POLICY REGARDING HEZBOLLAH

The United States long has designated Hezbollah as a Foreign Terrorist Organization. Australia, Canada, and the Netherlands have followed suit. The United Kingdom has placed the "Hezbollah External Security Organization" on its terrorist list. But the European Union has dragged its feet on taking serious action against Hezbollah.

In May 2002 the EU added 11 organizations and 7 individuals to its financial sanctions list for terrorism. This was the first time that the EU froze the assets of non-European terrorist groups. But it did not sanction Hezbollah as an organization—only several individual leaders, such as Imad Mugniyah.

By taking these half-measures, the EU mistakenly has embraced the fallacy that terrorist operations can be separated from the other activities of a radical organization. Attempts to compartmentalize the perceived threat by accepting the fiction that a "political wing" is qualitatively different from a "military wing" are self-defeating. This is a distinction without a difference.

Hezbollah's *raison d'être* is to violently impose its totalitarian ideology on Muslims and forge a radical Islamic state determined to destroy Israel and drive out western and other non-Islamic influences in Muslim world. No genuine "political party" would finance suicide bombings and accumulate an arsenal of over 10,000 rockets to be indiscriminately launched at civilians in a neighboring country.

Agreeing to accept a false distinction between political and terrorist wings is also dangerous. It allows Hezbollah to continue raising money for violent purposes. Money is fungible. Funds raised in Europe, ostensibly to finance charitable and political causes, free up money to finance terrorist attacks, or can be diverted to criminal activities. The recent violent convulsion in Gaza and last summer's war in Lebanon underscore the great dangers inherent in treating radical Islamic movements as normal political parties.

Hezbollah leaders themselves see little distinction between political and terrorist activity (which they consider to be "military" or "resistance" actions). Mohammed Raad, one of Hezbollah's representatives in the Lebanese parliament, proclaimed in 2001: "Hezbollah is a military resistance party, and it is our task to fight the occupation of our land . . . There is no separation between politics and resistance." In

2002, Mohammed Fannish, a Hezbollah political leader and former Lebanese Minister of Energy, declared: "I can state that there is no separating between Hezbollah military and political aims."

The EU also excluded the fundraising network of Hamas from the terrorism list in 2002. But in August 2003 the EU reversed itself and classified all of Hamas as a terrorist organization. It is high time to do the same with Hezbollah.

Some Europeans may hope that by passively accepting Hezbollah's fundraising activities that the EU can escape its terror. But this ostrich-like policy ignores the fact that fundraising cells easily can transform themselves into operational terror cells, if called on to do so. Hezbollah cells are like stem cells that can morph into other forms and take on new duties. The Federal Bureau of Investigation has warned that Hezbollah support cells inside the United States could also undertake terrorist attacks. The same is true in Europe.

Individual EU member states, such as France and Germany, have previously taken legal action against Hezbollah. Germany has deported Hezbollah operatives and France banned Hezbollah's al-Manar television network in 2004. But such actions were undertaken in an ad hoc manner on a country by country basis, not in a systematic manner by the EU as a whole. Given that protecting citizens is the highest duty of the state, such half-hearted piecemeal policies are irresponsible.

Putting Hezbollah on the EU terrorism list would require the consent of all 27 EU member states. Such action would oblige each member to prohibit the channeling of money from European entities and individuals to Hezbollah, and to seize Hezbollah assets in the EU. On March 10, 2005, the EU Parliament voted overwhelmingly to adopt a resolution that affirmed Hezbollah's involvement in terrorist activities and ordered the EU Council to "take all necessary steps to curtail" Hezbollah.

But France, Spain, and Belgium have blocked action in recent years. French Foreign Minister Michel Barnier in February 2005 justified French opposition to declaring Hezbollah to be a terrorist group by saying: "Hezbollah has a parliamentary and political dimension in Lebanon. They have members of parliament who are participating in parliamentary life. As you know, political life in Lebanon is difficult and fragile." But one major reason that life is so "difficult and fragile" in Lebanon is that Hezbollah, backed by Iran and Syria, seeks to intimidate democratic forces in Lebanon through the use of terrorism. Taking a stand against Hezbollah not only would undermine its ability to finance terrorism against its Lebanese opponents, but would make life much less difficult in Lebanon in the long run.

Classifying Hezbollah as a terrorist organization would significantly constrain its ability to operate in Europe and severely erode its ability to raise funds there and use European banks to transfer funds around the globe. All EU member states would be required to freeze Hezbollah assets and prohibit Hezbollah-related financial transactions. Hezbollah leader Hassan Nasrallah recognized the damage that this would do to his organization in a March 2005 interview aired on Hezbollah's al-Manar television network: "the sources of [our] funding will dry up and the sources of moral, political, and material support will be destroyed."

But France in particular has blocked action on taking the logical next step with Hezbollah. The recent election of Nicolas Sarkozy as France's new president offers hope for a major shift in the French position. Sarkozy hopefully will replace Jacques Chirac's "See No Evil" wishful thinking with a principled stand against permitting a lethal killing machine from infecting alienated European Muslims with its violent ideology, milking them of money to finance mass murder, and brainwashing them to become suicide bombers against a wide array of targets.

HOW CAN EU LEADERS BE PERSUADED TO TAKE CONCERTED AND SYSTEMATIC ACTION AGAINST HEZBOLLAH?

First and foremost, they must understand that in the long run, this is the best way to protect their own people, the highest duty of government. Wishful thinking about inducing Hezbollah to stray from the fundamental tenets of its own ideology will compromise the security of EU citizens. Turning a blind eye to Hezbollah's activities will only allow it to metastasize into a more deadly threat. Cracking down on Hezbollah activities would not only reduce the potential terrorist threat, but would reduce the threat of its ancillary activities, such as drug smuggling, criminal enterprises, and efforts to radicalize European Muslim communities.

Second, EU leaders can be criticized for the strained logic behind their current position. It makes little sense to designate individual Hezbollah leaders as terrorists, but continue to permit the organization to raise money for their deadly work. It is a mistake to exempt Hezbollah's "political wing" from responsibility for the crimes perpetrated by the "military wing" that executes its orders. Running a hos-

pital or an orphanage does not absolve an organization for the murder of innocents. The EU must be proactive and uproot Hezbollah's support infrastructure in Europe to curtail the activities of its terrorist thugs around the world.

Third, EU leaders should be asked to join the multilateral efforts of their democratic allies to protect all of their citizens from the attacks of totalitarian Islamic extremists. There is an ideological dimension to this conflict, as well as a terrorist dimension. It would be irresponsible for the EU to stay neutral in this global ideological struggle, given the presence of a growing Muslim population inside Europe that could fall prey to radical Islamic ideologies.

Banning Hezbollah also would be a step that would help stabilize the volatile Middle East and support Arab-Israeli peace efforts. Even the Palestinian Authority requested that the EU ban Hezbollah in 2005, complaining that Hezbollah was recruiting Palestinian suicide bombers to sabotage the tenuous truce with Israel.

Putting Hezbollah on the EU terrorism list also would help stabilize Lebanon. U.N. Security Council Resolution 1559, jointly sponsored by France and the U.S., calls for the disarming of all militias in Lebanon. Yet EU toleration of Hezbollah fundraising operations inside its own borders enables efforts to finance the purchase of arms and ammunition for the biggest and most dangerous militia in Lebanon. Adding Hezbollah to the EU terrorism list would be an important step toward disarming its militia and restoring the rule of law in Lebanon.

Banning Hezbollah also would contribute to the containment of Iran's rising power. Tehran has used its Lebanese surrogate to advance its own radical foreign policy agenda in the past and is sure to do so again.

Congress has played a role in appealing for greater cooperation from the EU in curtailing Hezbollah's activities. The House of Representatives in March 2005 passed H.Res. 101, which urged the EU to add Hezbollah to its terrorist list. The Senate followed suit the next month. Congress should continue to press the EU to do the right thing regarding Hezbollah by passing further resolutions and holding hearings such as this one to educate EU leaders and their constituencies about the potential challenges posed by Hezbollah.

The EU can no longer afford to ignore Hezbollah's festering threat or hope to deflect its attacks on to other countries. The longer the EU balks at effective action, the stronger the potential threat grows, funded by the free flow of donations, diverted charitable funds, and criminal booty out of the EU and the payments for drugs smuggled into the EU. As Winston Churchill observed: "An appeaser is one who feeds a crocodile, hoping it will eat him last." The Hezbollah crocodile has eaten half of Lebanon and has laid dangerous eggs around the world. The EU must take proactive action, not wait for these eggs to hatch.

Mr. WEXLER. Thank you very much.

We are going to look into trying to make it a little cooler in the room. But if I could start with you, Mr. Ritzmann, and then go to the other two gentlemen.

Germany prepared a fairly alarming intelligence report that has been spoken about. If I understand it correctly, it is not just even 900 people loosely affiliated with Hezbollah, but 900 core activists. This then suggests an even more complex network of people if there are 900 core activists.

Understanding that Germany went through a fairly extensive investigation and study, do you have any estimates in terms of what type of presence Hezbollah has in France, in the U.K. and the other larger European countries?

Would it be reasonable to assume that there is a proportionate amount of Hezbollah core activists in those nations as there are in Germany?

Mr. RITZMANN. Thank you, Mr. Chairman.

Unfortunately, other European countries don't publish a comparable report, an annual report like the German Government's. We publish a lot of our intel to give transparency to threats to national security.

However, as Lebanese refugees are like the foundation, refugees from the civil wars in Lebanon over the last 20–30 years are

spread all over Europe. So it would definitely be an approach to estimate the effect in Germany, meaning around 900 core activists, but on several occasions, like the so-called al-Kutz demonstration, which has been introduced by Iranian leaders to liberate, to show solidarity to the liberation of Jerusalem. Several thousand people support those and participate in those demonstrations organized by local Hezbollah activists.

So we have 900 so-called activists, but we are sure we have several thousand people supporting the goals and ideology of Hezbollah. I am very sure we have comparable numbers in other EU member states.

Mr. WEXLER. Mr. Jacobson.

Mr. JACOBSON. I would just add that I agree, but I think there is somewhat probably an information vacuum in Europe. Germany is supportive of an EU designation, and has focused on it, so I think is looking into the Hezbollah presence in their country. I think there are many, many other European countries which are not focused on it, and so really don't have a good sense of what the presence is in their country.

So I think what I would say one of the positives of a ban would be, if it actually spurs on intelligence and law enforcement activity, and stepping up their activities to look at Hezbollah, in a few years we would have a much better sense of what and where Hezbollah is in Europe.

Mr. WEXLER. I want to get back to your time at the Treasury in a moment, Mr. Jacobson, but I could just go back with Mr. Ritzmann.

You testified regarding Hezbollah's efforts within Europe to radicalize certain portions of the Muslim communities there, particularly through its television station, al Manar. Do you have any facts in terms of viewership and the effect of that viewership. Also, do you have facts regarding the numbers of people that Hezbollah is actually either persuading or having an effect on, in terms of their ideology and behavior?

Mr. RITZMANN. Mr. Chairman, unfortunately, there are no official numbers available, but there have been several interviews by journalists talking to radicalized youth. For example, in Berlin, in Germany.

Mr. WEXLER. Right.

Mr. RITZMANN. In other countries with large Muslim communities, and many of those young Muslims who have a very negative approach toward the West, toward the United States, toward Israel, say that they have al Manar as their main source of information. It is still easy to access, easy to view within Europe despite various efforts to shut it down, to shut the broadcast down into Europe, but it is still being broadcast from Egypt and Saudi Arabia into all of Europe.

Mr. WEXLER. Can any of you gentlemen share insight? I mean, the French Government deserves great praise for ending the broadcast of al Manar in France, a very substantial and bold step. But can you share insight into why a government would take that type of bold step, but not yet be in support of placing Hezbollah on the terrorist list?

Mr. PHILLIPS. I think, Mr. Chairman, that that shows some of the logical inconsistencies of the EU position. The fact that it would place leaders of Hezbollah on the list, but not the organization itself, is as if it is trying to proscribe the leaders' activities. But that cannot be done without also uprooting the support infrastructure.

It is important to focus on the ideological dimension of the Hezbollah threat because ideas have consequences, and if these ideas are broadcast over television, they are going to infect the people that are listening to these ideas, and the Europeans have illegalized parties, European parties that broadcast very dangerous ideas such as the Nazi Party.

No one argued that, you know, the Nazis ran orphanages or hospitals, therefore their crime should be overlooked, and I think it would be a mistake to make that kind of an argument, distinguishing between a political wing and a military wing, with regard to Hezbollah.

Mr. JACOBSON. I would add that I think that governments like the French are concerned about things that they will see as having a direct impact in their country, and something like al Manar, I think, they could understand the direct repercussions in terms of radicalizing the domestic population, whereas I think there would be something like a broader band of Hezbollah and see issues cutting both ways in terms of that.

But I think probably when they saw some of what was on al Manar and realized what some of the domestic—I mean, France is very concerned about its domestic Muslim population, and I think when they see some of the content of that, they are willing to act but not in a broader sphere.

Mr. WEXLER. Finally, Mr. Jacobson, if you could just share with us your understanding of Hezbollah's financing network within the EU and what a designation on a EU terrorist list would mean, in the context of that financing network.

Mr. JACOBSON. Well, I think Hezbollah has both in Europe and around the world has a pretty complicated financing structure. A lot of criminal activity, both small scale, large scale, collecting money through NGOs, through donations, through shaking down the Lebanese expat. communities, et cetera. And I think a ban would have—I mean, obviously I think it would have some symbolic impact but I think it would also have a financial impact on the organization. It would make it a lot harder for them to raise funds. It would take away the status of Europe as a permissive operating environment.

But again, as I mentioned earlier, I think a ban alone is not going to have—it is not going to be a ban and the automatic result. I think that will have some impact right away, but I think it would have to be accompanied by stepped intel and law enforcement activity and cooperation on that factor as well, because I think right now the Europeans—I mean, again going back to the argument that they are concerned about things that threaten them—a lot of the European governments are very concerned right now about al-Qaeda, al-Qaeda affiliates, et cetera, and they have really stepped up against those groups.

Hezbollah at this point they don't see as a direct threat, so it would be a matter of convincing them that they are a direct threat, and then having them step up, and I think a ban would be a good first step toward that.

Mr. WEXLER. Thank you. Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman, for holding this hearing on another very interesting topic that you have chosen. Also, I want to thank the people, the witnesses that are appearing here today.

Isn't it the reality that the European countries do not designate Hezbollah as a terrorist group because of their situation in Lebanon? Some of the countries have people in Lebanon, armies in Lebanon. They are afraid of retaliation. Isn't that more a reality? Could you just comment on that?

Mr. RITZMANN. Sure. I think you are definitely right. I think there is a mix of reasons. We have to realize that there is no real European Union foreign policy. It is still 27 member states that have their own interests, their own economical interest as well in Lebanon, in the Middle East. So we have a couple of countries in Europe that don't feel affected by Hezbollah at all, don't feel a threat. Others fear retaliation by banning Hezbollah because their troops are part of the U.N. peacekeeping force in Lebanon, or other countries have suffered already by Hezbollah attacks in the eighties and nineties, so they are very aware that this organization is capable of striking within the European Union. So it is a mix of reasons.

Mr. SIRES. So it is basically self-interest?

Mr. RITZMANN. Yes.

Mr. PHILLIPS. I would just say that I think it a short-sighted rationale for avoiding cutting back on Hezbollah activities in Europe because what is going to happen if Hezbollah continues to escape this ban, then its supporters in Europe will be financing the purchase of arms for Hezbollah forces. And when they seek to expand their operations in south Lebanon, which I think is inevitable, they are slowly building up, then they will be increasingly confronting UNIFIL forces. And the Europeans will face a situation where they helped create a greater threat to their own peacekeeping troops.

So although I think that is part of the European rationale, I would be very critical of that rationale.

Mr. JACOBSON. I would just add that, as I mentioned in my opening remarks, the way the European system is structured right now and the fact that the proceedings are not public, it has been difficult to gauge exactly why each of the countries that opposes it does so. France has been more clear about what their opposition is. Some of the other countries, it has been harder to tell, and France certainly is the leader in the opposition in this in Europe, and it is hard to tell whether if France actually shifted its position on this issue, whether some of the other European countries would then go along with them.

Mr. SIRES. It was recently discovered that \$50 million had been transferred from Iran to Hezbollah through the Bank of London, one of the London branches. Can you just talk a little bit about that?

Mr. JACOBSON. Sure. That was a Treasury Department action, and it came out when I was at Treasury Department at the time,

and it was when we took action against Bank Saderat, cutting off even Saderat's indirect access to the USF financial system, and that was what we found, that Saderat was really playing a major role in transferring funds from Iran to Hezbollah, the Palestinian Islamic Jihad, and the figure was pretty stiff. It was a \$50 million figure that we came up for Hezbollah, and the funds, and the reason it came up in this context was that some of the funding from Bank Saderat, which is a state-owned bank in Iran, was actually going through Bank Saderat's London branch.

Mr. WEXLER. Mr. Phillips, I was wondering if you could help me think through something. You testified in regard to Hezbollah's support for Hamas, Islamic Jihad, and other groups that the EU in fact does designate as terrorist organizations on their list.

As I travel through Europe one of the common themes that most, if not all, of the leaders proclaim is that we in the United States are not yet doing enough to effectuate Middle East peace. We are not doing enough to push along a peace process between the Israelis and the Palestinians. It is ironic that the EU, of course, is a full-fledged member of the Quartet, and to the extent that Hezbollah is playing a destabilizing role in the West Bank and in Gaza. It would seem that the failure to designate Hezbollah as a terrorist organization within Europe actually undermines very directly the efforts of Europe. These efforts are undoubtedly sincere and genuine, in effectuating some type of peace between the Israelis and the Palestinians.

So I was hoping if you could elaborate on the type of support that you understand to be occurring in the context of Hezbollah and Hamas. What role do you believe Hezbollah played in Hamas's recent takeover of the Gaza Strip? In fact, Europe's policy, with respect to the Israeli and Palestinian efforts, is directly undermined by their failure to designate Hezbollah on their terrorist list. This would be one way to try to persuade Europe that here is a direct impact on European interests.

Mr. PHILLIPS. Mr. Chairman, Hezbollah is not only trying to undermine United States efforts at brokering peace and the Arab-Israeli peace process, but is undermining Europe's own efforts to bring stability to that area. Even the Palestinian Authority has requested the EU to ban Hezbollah because Hezbollah—

Mr. WEXLER. Would you repeat that?

Mr. PHILLIPS. Even the Palestinian Authority, in 2005, requested that the EU take up this cause. It is not—

Mr. WEXLER. So Abu Mazin, President of the Palestinian Authority, has asked the European Union to designate Hezbollah on its terrorist list?

Mr. PHILLIPS. That is right. So this can't be pictured as some kind of pro-American move or pro-Israeli move. This is a move that would help peace. Hezbollah has worked—

Mr. WEXLER. Why do you think Abu Mazin has asked Europe to designate Hezbollah as a terrorist organization on its terrorist list?

Mr. PHILLIPS. Well, Hezbollah is a radicalizing influence throughout the Middle East, but also on the Palestinian political body. It works most closely with the most radical and extreme Palestinian elements who are opposed to Fatah's—what I would consider to be a limited peace efforts. Hezbollah argues that it is not the Palestin-

ians' right to make peace with Israel because that, in its eyes, would jeopardize the rights of Muslims to Muslim land. They don't see it as a national issue but as a religious issue, and that undermines Fatah and the PLO as secular organizations, and in the long run is against their interest and the interest of peace.

Mr. WEXLER. And the European Union just opened up a fairly significant amount of money this week to Abu Mazin, did they not?

Mr. PHILLIPS. That is correct. EU and also the U.S. are en route to tilting toward Fatah and the struggle against Hamas.

Mr. WEXLER. So, on the one hand, the European Union, and as you rightfully point out, the United States as well, are opening up the floodgates of cash to Abu Mazin. On the other hand Abu Mazin is asking Europe to designate Hezbollah on its terrorist list, but the EU has failed to do so. Abu Mazin makes that argument because he believes Hezbollah directly undermines his ability to engage the moderate forces within the Palestinian community, so as to effectuate some type of meaningful peace process.

Mr. PHILLIPS. That is right. I think Hezbollah and its allies seek to set up a radical Islamic state that not only would be bent on destroying the peace process, but destroying Israel. They don't—not only do they not accept negotiations with Israel, they don't accept Israel itself.

Mr. RITZMANN. Mr. Chairman.

Mr. WEXLER. Please.

Mr. RITZMANN. I would like to add that this is not a new development. All through the nineties, Hezbollah called Yasir Arafat a traitor to the Palestinian cause because he was engaged in peace talks with Israel. So that is just like the final conclusion, this call for the ban of Hezbollah.

Mr. JACOBSON. I would just add also in terms of the role that Hezbollah is playing in the Lebanese domestic politics. I mean, we certainly hear a lot about playing the role. It is not a—I mean, since that what the EU is concerned about in such large part, but they really played a role as Syria's proxy, including the number of steps to obstruct the Hirian investigation, and I think something that is telling is the Hezbollah members of Parliament are really one and the same from the general members of the organization, and there is a good quote from a senior member of Hezbollah when he was explaining the role that the Hezbollah members in Parliament play, and there is a parliamentary committee in Hezbollah which reports directly to the Shia Council, the elite, which is the head of the Hezbollah organization.

This senior Hezbollah leader said that "being a member of Parliament does not mean that the elected representatives are above the Shia Council authority." And I think that is very telling, that they are not operating as a productive force, but they are really operating with the wishes of Hezbollah organization, and therefore with the wishes of Iran itself.

Mr. WEXLER. Thank you. Mr. Costa?

Mr. COSTA. Thank you for being here. It is an important hearing that we are having today with the subcommittee, and when we talk about the potential of adding Hezbollah on the European Union's terrorist list. Obviously, in my mind, this brings together a juncture of a number of different challenges that we now face both in

Lebanon as well as in the situation between efforts of Israel and Palestinian Authority. Of course the influence that is taking place between Syria and Iran.

A question comes to mind given the current series of events that occurred here in the last week with Gaza and the West Bank, and Bosa's creation of a new government in the West Bank.

It just seems to me that these terrorist groups are always looking for opportunities, and my sense is that as Hezbollah both in Lebanon with the conflict that is currently taking on there right now, and the influences of Syria and Iran. Where do you think this is going to go where Hezbollah might seek to undermine what is already a very difficult circumstance both in Lebanon as well as in Syria? Also, do you think this help makes the case with the new President of France and others who could be influential in the EU in getting Hezbollah added to the list?

There are multiple questions there. I don't know who wants to take the first try of it.

Mr. PHILLIPS. Yes, I would just say that in my opinion the cease fire in southern Lebanon is extremely precarious. Not only could it break down—

Mr. COSTA. There were two missiles going off yesterday or the day before?

Mr. PHILLIPS. That is correct, and it is not clear if Hezbollah fired them or perhaps radical Palestinian groups in southern Lebanon fired them because these missiles didn't appear to be as dangerous as some of the Katyushas that—the thousand of Katyushas that Hezbollah had fired last summer. But I think it is only a matter of time before tensions build again in southern Lebanon, and not only between Hezbollah and Israel, but there are many Shi'a in southern Lebanon that are sick and tired of Hezbollah pushing them into conflict, a conflict that really penalizes them, results in tremendous damage. Many people—

Mr. COSTA. Economic, homes.

Mr. PHILLIPS. As well as people being killed.

Mr. COSTA. Lost of lives and injuries.

Mr. PHILLIPS. That is right, and so we shouldn't assume that Hezbollah represents the interests of all Lebanese Shi'a because many of them resent it, although they are too afraid to speak up because Hezbollah is such an intimidating force, but I would just say that Hezbollah's truce is a very unstable truce, and it could break down again, especially if Iran is pulled into an increasing conflict with the United States.

Here I would argue that the EU is actually increasing the chances of a United States-Iran war because it is not using some of its economic leverage against Iran over its violations of its commitments on its nuclear program, and that if the United States is forced into a situation where it has to go to war, then Hezbollah is going to be activated as a stalking horse for Iran, not only in the Middle East where it is likely to try to stir up troubles on Israeli's northern frontier, but also within Europe, and I think the Europeans themselves then are going to—

Mr. COSTA. Do you care to comment on the French position with the new President in place?

Mr. PHILLIPS. I think there is a moment of opportunity here because I think the newly-elected President Sarkozy rejects the wishful thinking of Jacques Chirac.

Mr. COSTA. Do you think there may be a change in French foreign policy on this matter?

Mr. PHILLIPS. I think it is very possible, and I certainly hope so.

Mr. COSTA. Do you gentlemen share that opinion?

Mr. JACOBSON. I do think it is a potential opportunity. I think during the campaign he made a number of very promising statements, and his Prime Minister has made promising statements as well. He did invite Hezbollah to the political conference that they are hosting in France, but it is unclear what the motivation for this and whether or not he felt like this was an overture that he had to make, and that he had to at least give them—he had to personally give them a chance before taking action. But I think in terms of where he stands on the issue and his record as Interior Minister in France, I think it is a hope for a possible change.

Mr. RITZMANN. Mr. Chairman, I can support this conclusion. Many put hope in the election of Nicolas Sarkozy. As my colleague pointed out, his Prime Minister criticized the Socialist Presidential candidate for even talking to Hezbollah during the campaign, but, unfortunately, as to the first action regarding Lebanon, this new government is inviting Hezbollah to Paris to participate in a conference and talk to them. France is still trying to be the so-called “honest broker” in Lebanon because of its various interests there.

Mr. COSTA. And it is a new government.

Mr. RITZMANN. Yes. But still, Mr. Sarkozy, if you take a look at his personal record as a minister in the past years—

Mr. COSTA. Right.

Mr. RITZMANN [continuing]. I think there is definitely an improvement. There is definitely a higher chance that Hezbollah and its “bed friends” might change their position toward Hezbollah despite this coming back.

Mr. COSTA. And none of you commented upon the events of this last week with Gaza. Do you see any potential there between Hezbollah and Hamas?

Mr. RITZMANN. Well, Hamas is openly thanking even Hezbollah for the support. The parades, there have been parades within the Gaza Strip of Hamas activists thanking Hezbollah for financial support, for military training, for the delivery of weapons. They even include children that imitate Hassan Nasrallah talking to several Hamas leaders, so that is not a secret, and both sides openly talk about that cooperation.

I am not able to say if Hezbollah was actively involved in the current situation in Gaza, but they have been supporting Hamas over the last—at least 5 years.

Mr. COSTA. Thank you.

Mr. WEXLER. Thank you. Mr. Sires?

Mr. SIRES. Can you comment on what the public in Europe think about Hezbollah? Does the average European know that Hezbollah is operating within the union? I mean, I would like to try to get the feel for the public. Do you feel that if the public knew more about Hezbollah, they will be more inclined to ask the government to put them on the list, or does it go country by country?

Mr. RITZMANN. As far as I know, most Europeans learned about Hezbollah last summer in the military confrontation with Israel, and the media coverage of this conflict in Europe was—I would say it started neutral and then it shifted toward showing basically pictures of destroyed Lebanese houses, wounded or killed Lebanese people. So I am afraid that most Europeans did not get the impression from this conflict from the media reports showing this conflict that Hezbollah is a terrorist organization.

In addition, there are very few media reports covering Hezbollah's activities in Europe. There are reports, of course, of Hezbollah's activities in Lebanon, but addressing the threat to European interests happens once in awhile, but it is not really on the agenda, so that still has to be achieved.

Mr. JACOBSON. I would add that I don't think there has been enough linkage either in the public's mind in Europe or the governments' positions in terms of how the threat from Hezbollah correlates to that of Iran. I think people tend to view the two in isolation, and I think the public probably and the governments in Europe are growing more and more concerned about the threat from Iran, but I think there is no accompanying or correlation in increase about the perception of the threat from Hezbollah, even though I think there should be.

Mr. PHILLIPS. I would just draw a comparison with the way many people in the U.S. looked at terrorism before September 11. We kind of perceived it as something that was in the Middle East and we want to keep it out of our country, and not realizing that, you know, a lot of these groups operate within a web, that it is very difficult to distinguish between one group and another since they use some of the same criminal support networks. The United States, especially in regard to Afghanistan, many Americans felt that we didn't have a stake in what was perceived to be a civil war, and I think, unfortunately, that is true today in Iraq. But after September 11 we realized we did have a stake in what happened in Afghanistan because the Taliban was allied with al-Qaeda. I think Europe today is kind of in a pre-September 11th kind of environment.

Mr. SIRES. So, from what you are saying, I draw the views that Europe is not upset with Hezbollah. You know, through the media, we see what happened last summer. There doesn't seem to be an outrage?

Mr. RITZMANN. Well, I think, as I tried to point out before, Europe is a 27-member state, there are 27 populations, and different perceptions of the Middle East conflict, different perceptions of the role of Hezbollah as an organization that has a political wing and a military wing. There is an ongoing debate if Hezbollah is a political party with a military wing, or if it is a military jihadi group that has a political wing, and unfortunately in Europe, there are various points for both sides, and the debate is ongoing.

So we really have to address this topic toward European policy-makers, toward European media to focus on the actual things Hezbollah is doing. Sometimes, it is hard for me to understand because Hezbollah is very open. They talk about what they want. They talk about what they want to do, and quite often, they actually do what they were talking about.

So as I tried to point out before, one key obstacle in the designation process is the unanimous vote that is necessary to add an organization to the terrorist list on the European level, meaning, even if a 26-member state thinks that Hezbollah is a terrorist organization, one can block the designation.

But there is a little bit of hope, I would say, regarding this topic because the European Union, the council is currently trying to change its voting system, going away from the unanimous vote to a double-majority vote in general. If that would pass, I am very sure this would affect the designation process of terrorist organizations as well.

So in case this reform of how the European Union in general makes decision, if that succeeds, it will have a positive effect, I am sure, on the designation process as well.

Mr. JACOBSON. I would just add it is interesting when you compare, as I mentioned, the two different lists, the al-Qaeda and the list that Hezbollah would go on, and it just gives you a sense of how quickly the EU can turn on specific issues.

For the al-Qaeda-Taliban designations, those are based on the U.N., and once the U.N. has designated these people, and for all intents and purposes when a name is added to the U.N. list, the EU adds them basically automatically. So it is a real contrast between how quickly and effectively that occurs and this process of consensus that is required on the non-al-Qaeda, non-Taliban lists.

Mr. SIRES. How do we go about creating a new perception in the European Union? Is the fact that this country's foreign policy is not viewed in good eyes in Europe? There is a lack of credibility? How do we go about changing some of these perceptions?

Mr. RITZMANN. I suggest that the United States identify those players in Europe, those actors, may be political leaders, may be scholars, experts, that are actually dealing with this topic and try to provide additional information. As Representative Solana actually pointed out—my colleague quoted him by saying that “there is not enough information available to designate Hezbollah as a terrorist organization.”

It is hard for me to comment on this quote, but if that is true, that will be one step to providing information and to encourage those who are pursuing banning Hezbollah. For example, Gordon Brown is supposed to be the new Prime Minister of Great Britain. He does not have a high foreign policy profile yet, but as head of treasury in Great Britain, he was very effective in hunting down terrorists' financing networks. So he may also be somebody to talk to.

But as I said before, I would recommend to do that on a lower level of communication, more on a working level, more on a direct level, policymaker to policymaker, not so much in giving too much public advice.

Mr. WEXLER. If I could follow in the context of the U.K., and I very much appreciated the last question and all the responses. If I understand the status in the U.K., England does designate the military wing of Hezbollah on its own individual list. I am curious if you would comment. Did that designation better enable the operation to occur that was pointed out in terms of the \$50 million

transaction through the London branch transfer of money to Iran? Was that directly related to that? Do you know?

Mr. JACOBSON. I can't comment specifically on that, but I think the difficulty in terms of having the external security organization designated, and it is really the covert arm of Hezbollah, and trying to actually, for governments to actually establish—this is why that alone is not really—it is a step, but it is not the whole thing because it is very difficult in the course of investigation to figure out whether or not—I mean, the money is fungible. There is a lot of different entities involved, and to try to firmly establish that the entity involved is actually associated with the covert external security wing and not the other parts of Hezbollah is a very, very difficult challenge.

Mr. WEXLER. I am just trying to ascertain an understanding that the European Union may reform its rules and so forth. However, we cannot assume that that happens overnight. We must try to ascertain the value of entertaining a campaign for individual nations to follow the lead of the Netherlands and partially the lead of the U.K. What would the value be if more countries, particularly the principal ones, did designate as individual nations?

Mr. JACOBSON. I think it would be helpful if they would designate the entire organization. This goes towards, I think, a broader issue, which is that not that many European Union countries actually have their own national list.

Mr. WEXLER. Who does?

Mr. JACOBSON. Germany does, France does, the U.K. does, The Netherlands does. There may be a few others, but I think most basically just rely on the EU list, and don't have their own national lists, and I think that would be something that could be effective. I mean, if you have got let us say five that objected out of 27, and you can get the other 22 to put in place their own national list and get Hezbollah on this list, I think that would certainly be a step forward.

Mr. WEXLER. If I could ask one final question, and it was brought out in the last series of discussions. Can you comment on the linkage or the lack of linkage between Hezbollah in Iran, within Europe, and to a certain degree, within the United States? I am curious your views of this.

I mean, in fairness, since President Bush went to Brussels in February 2005, the United States and Europe have acted in concert, in terms of attempting to thwart the Iranian nuclear program. Great Britain, France, Germany and the United States have essentially stood side by side in the effort, and continue to do so. But that effort for the most part has not included the nuclear context of the discussions Hezbollah, even though Hezbollah, of course, is so closely associated with Iran.

If there was a push, in the context of the nuclear discussions regarding Iran's nuclear program to publicly link Iran with Hezbollah, do you think that that would positively reflect on the ability or the opportunity of Europe to designate Hezbollah as a terrorist group? Or, conversely, would it just make the effort to thwart Iran's nuclear program that much more difficult?

Mr. JACOBSON. I guess what I would say is that there has been a real effort to try to achieve consensus and to keep, as you men-

tioned, keeping the United States and the Europeans on the same page on this, and the thing I worry about is that consensus is breaking off, and there has been—right now the U.N. doesn't deal with Hezbollah really in the terrorist context the same way they do al-Qaeda and the Taliban, and I worry that if there were a real push to try to link them more, that it could—it could make it more difficult to achieve consensus on these issues, even though I think it would have positive repercussions if you could achieve consensus on those.

Mr. RITZMANN. I would agree with this statement as we still have the different perceptions of the role of Hezbollah and its linkage with Iran within Europe. So if there would be an agreement on Hezbollah's role, it would be very helpful. Unless we have achieved that, I would not recommend it.

Mr. PHILLIPS. I would just say that introducing Iran may open up a whole new can of worms in the sense that the Europeans want to carve out kind of an independent policy on Iran. Although I think that logically if you look at it from their own point of view in terms of their long-term interests, they should see the linkages much more strongly between Iran and Hezbollah.

After all, there was a series of bombings in France in the mid-1980s in part because Iran perceived France to be backing Iraq in the Iran-Iraq War, so there is long-established linkages there.

Mr. WEXLER. Thank you very much. Mr. Sires, do you have any other?

Mr. SIRES. Well, I just had a thought. Spain was the recipient of one of the biggest terrorist attacks in Europe. Where is Spain in all this as far as the European Union and Hezbollah? I know that they changed government. I was just wondering.

Mr. RITZMANN. As far as I know, they are opposing the designation of Hezbollah as a terrorist organization/terror group.

Mr. SIRES. They are opposing?

Mr. RITZMANN. Yes.

Mr. SIRES. And their reasoning?

Mr. RITZMANN. I don't know of any real public statements on why they are acting like that, and in addition, the minutes, the transcripts of the Clearing House sessions, where the debate takes place to designate or not, are not public.

Mr. SIRES. Okay.

Mr. JACOBSON. And I would say this goes toward the broader issue in Europe, that al-Qaeda and al-Qaeda-related groups have gotten a lot of the European governments' attention, so they now recognize they are a direct threat. They are willing to take them. Spain is no exception to that, and is willing to take action. But Hezbollah, they view in an entirely different context.

Mr. WEXLER. In closing, I just want to thank Mr. Sires; I want to thank Mr. Costa; I want to thank the three witnesses. Also, I just would like to underscore that my purpose for this hearing, and I think the purpose of the members of this committee, is: (1) to highlight the information, the facts regarding Hezbollah and the destructive role that it plays in Europe; (2) to prompt, hopefully, a serious discussion within the European Union as to the costs and the benefits of keeping Hezbollah off the terrorist list of the European Union, if there are any benefits whatsoever. And we must al-

ways do so in the context of great respect for the transatlantic relationship.

I think all the members of this subcommittee believe very deeply that when America and Europe cooperate, when we coordinate our efforts in the context of anti-terrorist operations, and attempting to thwart the effectiveness of terrorist organizations such as Hezbollah, that both the American people and the European community at large benefits a great deal. It is in that context that I called this hearing, not to point out the deficiencies of any particular government in Europe. Rather, this hearing prompts an honest, sincere discussion with our partners in Europe regarding the effects of failing to place Hezbollah on its terrorist list.

I thank the three gentlemen for engaging us in a very considerate and thoughtful discussion, and having said that this hearing is adjourned. Thank you very much.

[Whereupon, at 2:15 p.m., the subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE ELTON GALLEGLY, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA

Thank you Mr. Chairman for holding this hearing on adding Hezbollah to the EU terrorist list. I would also like to commend you for taking the lead on this issue over the past several years.

As I believe everyone in this room knows, Hezbollah is a Lebanon-based extremist organization that has a network of cells located throughout the world. Its primary sources of political, financial and organizational support stem from Iran and Syria. According to recent State Department reports on global terrorism, Hezbollah is dedicated to the elimination of Israel and the establishment of an Islamic theocracy in Lebanon. Hezbollah is also a strong supporter of Syrian influence in that country—a position clearly at odds with both the desires of the international community and the Lebanese people.

Hezbollah has been known or suspected to have been involved in numerous terrorist attacks against Americans, including the suicide truck bombing of the United States Embassy and Marine Barracks in Beirut in 1983 that killed 241 American marines and 58 French paratroopers. Elements of the terrorist organization have also been involved in the kidnapping of Americans and other Westerners. And Hezbollah has not changed its ways since as it continues to be responsible for terrorist attacks both in Lebanon and Israel.

In past years, Hezbollah has increasingly supported groups that have already been designated by the EU as terrorist organizations. It defies logic that the EU would classify these other groups as terrorist organizations and not include Hezbollah, a group that is among the most lethal terrorist organizations in the world.

Mr. Chairman, the United States Congress is firmly on record in support of the European Union adding Hezbollah to its terrorist list. As far back as March 2005, the House of Representatives passed a measure sponsored by Representative Jim Saxton urging the EU to take this action. This resolution passed by a margin of 380 to 3.

And last year, 215 members of the House signed a letter that you and I circulated that called for a unified U.S.-EU position relating to Hezbollah and further calling on Hezbollah's inclusion on the EU terror list. That letter, I should add, was signed by both Minority Leader Boehner and Majority Leader Hoyer.

Despite this bipartisan effort, the EU has yet to take the important step of adding Hezbollah to their list. Such a step would send an unequivocal message that Europe will no longer tolerate the goals of this terrorist organization, which includes destabilizing the Middle East and continuing its campaign of terror attacks on Israel.

Given Hezbollah's track record and recent activities, I am disappointed that it has taken this long for the EU to take this action with respect to Hezbollah. The U.S. and the EU share many common interests in the Middle East. However, none of these goals can be realized as long as Hezbollah continues to carry out terrorist attacks and its strategy of destabilizing the Middle East.

PREPARED STATEMENT OF THE HONORABLE GUS BILIRAKIS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF FLORIDA

Hezbollah has launched brutal attacks against Americans, Israelis, and others, including many Europeans, in both the Middle East and worldwide. It is difficult to

understand why the EU has failed to act in a manner that appropriately characterizes Hezbollah for what it is—a terrorist organization.

There is a great contradiction that currently exists within the way the EU treats Hezbollah. Although it lists Hamas as a member of its common terrorist blacklist, it fails to do the same for Hezbollah. Both Hamas and Hezbollah have members who are active in the Palestinian and Lebanese governments respectively, and both organizations provide services and aid to certain communities, schools and hospitals.

Still, despite these facts, both seek the destruction of Israel, and both have failed to respect international law and the sovereignty of national governments.

We and our European neighbors must work together to bridge our current differences on Hezbollah. Our common strategy toward terrorism continues to be a defining strength of our transatlantic relationship. The safety and security of our people depends on it.

WRITTEN RESPONSES FROM MR. ALEXANDER RITZMANN, SENIOR FELLOW, EUROPEAN FOUNDATION FOR DEMOCRACY, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE GUS BILIRAKIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Question:

How would having Hezbollah on its common terrorist list have impacted the military conflict between Israel and Hezbollah last year?

Response:

Designation would have frozen the assets of all affiliated organizations of Hezbollah in all 27 EU member states. In theory, this may have impacted available funds for weapons. However, in actuality, Iran, Hezbollah's patron, would have presumably provided whatever weapons Hezbollah requested, regardless of available funds. Where Hezbollah would have taken a blow is in their international reputation and their ability to maintain their organizational infrastructure in their various affiliated organizations.

Question:

Many in opposition to add Hezbollah to the common EU terrorist list point to the need to also recognize Hezbollah as a legitimate political entity and a potential partner of lasting peace between Israel and Lebanon. With many members of Hezbollah participating in the current Lebanese government, some point to the distinction between the political and military wings of Hezbollah, particularly the political wing as a mechanism for peace.

That said, what success has the EU had in getting Hezbollah to denounce violence toward Israel, particularly in terms of dealing with it as a legitimate political entity? Was cooperation the right move, versus isolation? Has this notion of including Hezbollah in discussions over the current political crisis worked?

Response:

Regrettably, Hezbollah has not denounced violence and terrorism. Moreover they have used violence instead of a diplomatic tool to pursue their goals. In terms of so-called cooperation, neither Secretary General Kofi Annan's attempt at reaching out to them, nor informal discussions that Hezbollah has had with EU governments, has lessened their use of violence and terrorism. Hezbollah is dedicated to achieving their goals and has not compromised their objectives to satisfy calls for ceasing the use of terrorism. On the contrary, they have seen no disincentive to using violence. They have been further emboldened to pursue their tactics because even while they use it, invitations to meet with European officials continued.

Question:

In the eyes of the European Union, what are the differences that make Hezbollah different from Hamas?

Response:

While I am not aware of any official statements that discuss why Hezbollah and Hamas ought to be treated differently, one reason that Hezbollah may not yet have been designated a terrorist entity by the E.U. stems from concerns of certain member states that their troops in Lebanon could be threatened by Hezbollah. In addition, Hezbollah in the past has demonstrated that they have the motivation and capability to carry out attacks and assassinations in Europe when they want to do so.

Question:

One of Hezbollah's senior intelligence officers, Imad Fa'iz Mughniyah is actually on the EU's terrorist black list.

How can the EU agree to black list particular individuals who represent the senior leadership of an organization, but fail to view that organization in the same light? Is the EU now in the business of cherry picking organizational membership, particularly of an organization known for its terrorist activities, to fit its political and foreign policy model?

Response:

There is indeed a contradiction because in fact Hezbollah itself declares publicly that there is no separation between their so-called military and political wings. One of the reasons that the E.U. may have designated Mughniyah is that he heads all terrorist operations outside of Lebanon, including, for example, the attack on the AMIA headquarters in Argentina, which killed 85 people.

WRITTEN RESPONSES FROM MR. JAMES PHILLIPS, RESEARCH FELLOW FOR MIDDLE EASTERN AFFAIRS, THE KATHRYN AND SHELBY CULLOM DAVIS INSTITUTE FOR INTERNATIONAL STUDIES, THE HERITAGE FOUNDATION, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE GUS BILIRAKIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Question:

How would having Hezbollah on its common terrorist list have impacted the military conflict between Israel and Hezbollah last year?

Response:

Adding Hezbollah to the EU terror list before the war in July 2006 between Hezbollah and Israel would have been a sign of good faith on the part of the Europeans. While it is doubtful that it would have had any major effect on the military or political reality on the ground in Lebanon, it would have shown solidarity on the behalf of the Europeans to the Israeli and Lebanese civilians who were threatened by Hezbollah terrorism. An EU commitment in opposing Hezbollah terror would have also helped to crack down on Hezbollah cells on European soil. These cells, many of which are thriving today, undoubtedly supported the Hezbollah operations last summer, both financially and logistically.

Question:

Many in opposition to add Hezbollah to the common EU terrorist list point to the need to also recognize Hezbollah as a legitimate political entity and a potential partner of lasting peace between Israel and Lebanon. With many members of Hezbollah participating in the current Lebanese government, some point to the distinction between the political and military wings of Hezbollah, particularly the political wing as a mechanism for peace.

That said, what success has the EU had in getting Hezbollah to denounce violence toward Israel, particularly in terms of dealing with it as a legitimate political entity? Was cooperation the right move, versus isolation? Has this notion of including Hezbollah in discussions over the current political crisis worked?

Response:

It is futile on the part of the Israelis, Lebanese or EU to make a distinction between the political and military wing of Hezbollah. Hezbollah cells in the Middle East and Europe are like stem cells, they can mutate and turn operational at any given time. Just because a Hezbollah cell operates politically or in the realm of charity does not mean that it cannot launch a terrorist operation. In addition to the EU's lack of adding Hezbollah to their terror list, they have also been unsuccessful in moderating Hezbollah behavior. EU cooperation with Hezbollah can be seen as appeasement at best, and collaboration at worst.

Question:

In the eyes of the European Union, what are the differences that make Hezbollah different from Hamas?

Response:

It is hard to tell what differences the EU sees between Hamas and Hezbollah. Both practice terrorism and seek to impose their radical ideology on fellow Muslims and destroy Israel. Putting Hamas on the list, while giving Hezbollah the benefit of the doubt is inconsistent.

Question:

One of Hezbollah's senior intelligence officers, Imad Fa'iz Mughniyah is actually on the EU's terrorist black list.

How can the EU agree to black list particular individuals who represent the senior leadership of an organization, but fail to view that organization in the same light? Is the EU now in the business of cherry picking organizational membership, particularly of an organization known for its terrorist activities, to fit its political and foreign policy model?

Response:

The EU's designation of individual Hezbollah officials on their terrorism list, while failing to list the organization as a terrorist entity is an illogical and half-hearted self-delusion. It would be in the best interest of the European Union, as well as the United States, if the EU would awake from its "pre-9/11" mentality and actively diagnose and respond to the terrorist threats that it and its allies face.

WRITTEN COMBINED RESPONSES FROM DR. MATTHEW LEVITT, DIRECTOR, AND MR. MICHAEL JACOBSON, SENIOR FELLOW, STEIN PROGRAM ON TERRORISM, INTELLIGENCE AND POLICY, WASHINGTON INSTITUTE FOR NEAR EAST POLICY, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE GUS BILIRAKIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Question:

How would having Hezbollah on its common terrorist list have impacted the military conflict between Israel and Hezbollah last year?

Response:

Terrorism experts have long regarded Hezbollah as one of the most dangerous and capable terrorist organizations in the world. As was clear during last summer's conflict, Hezbollah is a well funded, well trained organization with significant military capabilities. An EU ban would have both symbolic and practical implications, though it is difficult to speculate on exactly how it would have impacted last summer's war between Hezbollah and Israel. The answer depends in part on when the ban was put in place and how effectively it had been implemented.

Had an EU designation been put in place well prior to the conflict, it could have had an effect on Hezbollah's European fundraising activities, which might have resulted in broader damage to the organization. If Hezbollah had been banned, EU member states would have been required to freeze any Hezbollah-controlled assets within their jurisdiction and any financial transactions relating to Hezbollah would have been prohibited as well. Hezbollah Secretary General Hassan Nasrallah has previously commented that an EU ban would "destroy" the organization as "[t]he sources of our funding will dry up and the sources of moral, political and material support will be destroyed." Without such a ban, however, Europe has instead been a permissive operating environment for the group.

For a ban to have had a great impact on Hezbollah, however, would have required the EU member states to step up their law enforcement and intelligence efforts against the organization to get a better handle on its European activities. Had Hezbollah been recognized as a terrorist entity though, member states would have been far more likely to increase the resources and attention that they devoted to investigating the organization.

Nearly a year after it dragged both Lebanon and Israel into the war, Hezbollah has reportedly restocked its weapons cache and missile arsenals, rebuilt much of its destroyed infrastructure, and capitalized on its ability to hold the Israel Defense Forces at bay to position itself as an even more dominant player in domestic Lebanese politics as well as the face of "resistance" and pride in the Arab and Muslim worlds. In light of this situation, it more important than ever for the EU to take actions—such as a ban—to help diminish Hezbollah's significant capabilities.

Question:

Many in opposition to add Hezbollah to the common EU terrorist list point to the need to also recognize Hezbollah as a legitimate political entity and a potential partner of lasting peace between Israel and Lebanon. With many members of Hezbollah participating in the current Lebanese government, some point to the distinction between the political and military wings of Hezbollah, particularly the political wing as a mechanism for peace.

That said, what success has the EU had in getting Hezbollah to denounce violence toward Israel, particularly in terms of dealing with it as a legitimate political entity?

Was cooperation the right move, versus isolation? Has this notion of including Hezbollah in discussions over the current political crisis worked?

Response:

The EU has not—and almost certainly will not—achieve success in getting Hezbollah to denounce violence against Israel. Opposition and resistance to Israel is at the core of what Hezbollah stands for. Their participation in the political process is extremely unlikely to serve as a moderating force for the organization. As American University Professor Ahmad Hamzeh noted in his book, “In the Path of Hizbullah” “Hezbollah is first and foremost and jihadi movement that engages in politics, and not a political party that conducts jihad.” In fact, according to Hamzeh, Hezbollah established a Parliamentary Committee in 2000, which controls the decision making of its members in the legislature. This committee is under the tight control of the Shura Council, which in turn reports to Iran’s clerical leadership. As one senior Hezbollah leader commented, “being a member of Parliament does not mean that [Hezbollah’s] elected representatives are above Shura Council authority.”

Question:

In the eyes of the European Union, what are the differences that make Hezbollah different from Hamas?

Response:

While the Europeans have not commented publicly on why they have designated Hamas but not Hezbollah, it’s important to note that Hamas was designated in 2003, well prior to their electoral victory. At that point, presumably no one in Europe considered them a legitimate political party. However, with this and most other questions regarding who is on the EU’s list, it is impossible to give a definitive answer. There is little transparency in the EU’s designation system. The process for adding and removing names from the terrorist list is done in secret by a committee which generally meets biannually, and there are no records of these proceedings. Even when groups are added to the list, there is no explanation as to why this action was taken.

Question:

One of Hezbollah’s senior intelligence officers, Imad Fa’iz Mughniyah is actually on the EU’s terrorist black list.

How can the EU agree to black list particular individuals who represent the senior leadership of an organization, but fail to view that organization in the same light? Is the EU now in the business of cherry picking organizational membership, particularly of an organization known for its terrorist activities, to fit its political and foreign policy model?

Response:

As noted above, trying to determine why certain individuals and entities are on the list and others are not is a challenge. For example, on Hezbollah specifically, it is difficult to assess exactly where each of the European member states stand on a ban. While France has stated its position publicly, few other countries have followed France’s lead. When asked about the EU’s failure to add Hezbollah, an EU spokeswoman merely stated that “the group makes its deliberations in a very discrete way,” and that “we are not able to assess the reasons why such unanimity could not be reached.” In fact, EU foreign policy chief Javier Solana muddied the waters further in 2006 on exactly why Hezbollah is not on the list, when he proclaimed that the real reason was that there was not “sufficient data” to take this action.

