

**Senate Foreign Relations Committee  
Chairman Richard Lugar  
Opening Statement for Hearing on  
LIBYA– NEXT STEPS IN U.S. BILATERAL RELATIONS  
February 26, 2004**

Today the Senate Foreign Relations Committee will examine a non-proliferation success in a country that may have seemed an unlikely candidate for such progress, even a short time ago. President Bush announced in December that Libya had committed to open its weapons programs to international inspectors and to dismantle its weapons of mass destruction. This pledge followed a series of Libyan steps over the past year, beginning with the settlement of the Pan Am bombing claims, that appear to reflect Libya's desire to remove the burdens of the economic sanctions that it has lived with for many years.

I congratulate President Bush and his national security team for their persistence in pursuing this objective. Today we welcome Ms. Paula De Sutter, Assistant Secretary of State for Verification and Compliance, and Ambassador William J. Burns, Assistant Secretary of State for Near Eastern Affairs, to discuss American policy in the wake of the Libyan success and how the United States can ensure that Libya implements its commitments.

Since the announcement, Libya has allowed weapons inspectors of the International Atomic Energy Agency (IAEA) to access its weapons sites. American officials have transported more than 55,000 pounds of sensitive Libyan equipment and documents to the Oak Ridge National Laboratory in Tennessee. Access to Libya's weapons program has resulted in a treasure trove of evidence exposing a nuclear black market that stretches from Libya to Pakistan and Malaysia. The seizure last October of a German ship bound for Libya carrying Malaysian-manufactured centrifuge components that can be used in making nuclear material helped initiate these revelations.

Some commentators have asserted that Libya took this dramatic step because of the demonstration of U.S. resolve and military power in Iraq. Others attribute Libya's action to the success of multilateral diplomacy or the weight of international sanctions imposed on Libya. But we should not attempt to reduce the positive outcome in Libya to a single explanation. The Libyan regime faced complex choices that were framed by numerous economic, diplomatic, and military factors. For American policy, the bottom line is that the Bush Administration, working with friends in the international community, was prepared to take advantage of this breakthrough. Now we must consider how to consolidate this success and how to expand upon it.

We still cannot assume that Libya is committed absolutely to a responsible course. We cannot ignore its lack of democracy, its development of weapons of mass

destruction, its record of support for terrorism, and its past pursuit of destabilizing activities in North Africa and the Middle East. In addition, this week the Libyan Prime Minister contradicted his government's official admission of responsibility for the Pan Am bombing by saying that Libya compensated the bombing victims to "buy peace." Our witnesses may wish to share additional information about this incident and the Administration's response.

Initial reports by IAEA and American officials suggest that Libya is granting extraordinary access to its weapons programs. One non-proliferation official familiar with the Libyan situation commented privately that international authorities found out as much about Libya's weapons programs in two weeks as they did about Iran's programs in two years.

As these revelations progress, the United States must carefully re-evaluate its sanctions policies towards Libya. Today the White House announced that the United States will initiate the process of lifting five types of U.S. sanctions on Libya, including restrictions that prevent travel by Americans to that country. Libya's cooperation on weapons of mass destruction can lead to further improvements in relations between our countries. As President Bush has said, "as they demonstrate good faith, good faith will be returned."

We need to assess the effectiveness of each of our sanctions policies and ask what actions should be required of Libya before a particular sanction is lifted. We must develop performance benchmarks to guide our policies with respect to Libya.

The United States also must ensure that the critical work of non-proliferation is not delayed or diverted unintentionally by restrictions on our interactions with the Libyan government. Our primary goals should be the complete deconstruction of Libya's weapons programs, the establishment of foolproof verification procedures, and the development of our understanding of how Libya fits into the international proliferation picture.

The State Department's Nonproliferation and Disarmament Fund (NDF) has played the central role in getting U.S. personnel on the ground to begin this work. It is important to recognize that Congress gave NDF the unique authority and flexibility to respond to unanticipated non-proliferation emergencies and opportunities, notwithstanding existing sanctions. But NDF is a relatively small program geared for short-term emergencies. It does not have the size, scope, or experience to do dismantlement operations, to employ nuclear scientists, or undertake longer-term non-proliferation efforts. Other programs will be necessary as we proceed in Libya, and these programs will require waivers or the lifting of some sanctions before they can be used.

In particular, the Defense Department's Nunn-Lugar Cooperative Threat Reduction Program is well-equipped to deal with Libya's biological and chemical weapons; the Energy Department's Material Protection Control and Accounting program has the expertise to take apart Libyan nuclear weapons facilities and safely dispose of

radioactive material; and the State Department's experience in re-employing Russian weapons scientists may need to be engaged to get Libyan scientists out of the weapons business. Congress must be kept informed about Libya's progress in meeting its commitments so that we can identify when and where our laws or programs may need to change to allow for application of these various non-proliferation tools.

As we dismantle Libya's weapons of mass destruction programs, we must simultaneously investigate how the Libyans were able to make such progress. In Libya, the United States and the IAEA have been shown evidence of the vast clandestine nuclear network that the Pakistani scientist A. Q. Khan ran for many years. In addition, a recent IAEA Director General's Report on Libya states that Libya exported Uranium Ore Concentrate to an unidentified nuclear weapons state. That nuclear weapons state returned the material to Libya as refined uranium, which is useful to a nuclear weapons program. These extraordinary connections have relevance to our continuing efforts to prevent proliferation, particularly in Iran.

The United States and the world welcomed Libya's declaration as an example of how the international community can reduce proliferation threats. Now, we must follow through to ensure that Libya fulfills its pledges, that all weapons and dangerous materials are controlled, and that our response sets useful precedents as we pursue non-proliferation goals elsewhere.

We look forward to the testimony and analysis of our witnesses on these topics.

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