

For Six Month Period Ending **JUL 31 2006**
(Insert date)

I - REGISTRANT

1. (a) Name of Registrant

(b) Registration No.

The Gallagher Group, LLC

5467

(c) Business Address(es) of Registrant

**1800 North Kent Street, Suite 975
Arlington, VA 22209**

2. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address

Yes ☐

No ☐

(2) Citizenship

Yes ☐

No ☐

(3) Occupation

Yes ☐

No ☐

(b) If an organization:

(1) Name

Yes ☐

No ☐

(2) Ownership or control

Yes ☐

No ☐

(3) Branch offices

Yes ☐

No ☐

(c) Explain fully all changes, if any, indicated in items (a) and (b) above.

N/A

CRM/CES/REGISTRATION UNIT
2006 SEP -6 AM 8:26

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes ☐

No ☒

If yes, have you filed an amendment to the Exhibit C?

Yes ☐

No ☐

If no, please attach the required amendment.

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (a waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position	Date Connection Ended
------	----------	-----------------------

- (b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
------	----------------------	-------------	----------	-----------------

5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal? Yes ☐ No ☒

If yes, identify each such person and describe his service.

- (b) Have any employee or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position or connection	Date terminated
------	------------------------	-----------------

- (c) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
------	----------------------	-------------	----------	-----------------

6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement? Yes ☐ No ☐

If no, list names of persons who have not filed the required statement.

N/A

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of termination

8. Have you acquired any new foreign principal² during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish following information:

Name and address of foreign principal

Date acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principals² whom you continued to represent during the 6 month reporting period.

Royal Embassy of Saudi Arabia

10. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following:

Exhibit A ³	Yes ☐	No ☐	N/A
Exhibit B ⁴	Yes ☐	No ☐	

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

² The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services by foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment A (Royal Embassy of Saudi Arabia)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places, of delivery, names of speakers and subject matter.

See Attachment B (Royal Embassy of Saudi Arabia)

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully.

⁵ The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government, a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☐ No ☒

If no, explain why.

No payments have been received from the client during this six month reporting period.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies⁶

Date	From Whom	Purpose	Amount
------	-----------	---------	--------

N/A

Total

(b) RECEIPTS - FUND RASING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign⁷, any money on behalf of any foreign principal named in items 7, 8, and 9 of this statement? Yes ☐ No ☒

If yes, have you filed an Exhibit D to your registration? Yes ☐ No ☐

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	Date received	Description of thing of value	Purpose
---------------------------	---------------	-------------------------------	---------

N/A

^{6, 7} A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(e).)

⁸ An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.

⁹ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS-MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
------	---------	---------	--------

See Attachment C (Royal Embassy of Saudi Arabia)

Total

(b) DISBURSEMENTS-THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes ☐No ☒

If yes, furnish the following information:

Date disposed	Name of person to whom given	On behalf of what foreign principal	Description of thing of value	Purpose
---------------	------------------------------	-------------------------------------	-------------------------------	---------

(c) DISBURSEMENTS-POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes ☒No ☐

If yes, furnish the following information:

Date	Amount or thing of value	Name of political organization	Name of candidate
------	--------------------------	--------------------------------	-------------------

See Attachment C (Royal Embassy of Saudi Arabia)

10, 11 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials¹²?
 Yes ☐ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

See Attachment D (Royal Embassy of Saudi Arabia)

17. Identify each such foreign principal.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes ☐ No ☐

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- | | | | |
|---|---|--|---|
| ☐ Radio or TV broadcasts | ☐ Magazine or newspaper articles | ☐ Motion picture films | ☐ Letters or telegrams |
| ☐ Advertising campaigns | ☐ Press releases | ☐ Pamphlets or other publications | ☐ Lectures or speeches |
| ☐ Internet | ☐ Other (specify) _____ | | |

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- | | | |
|--|---|---|
| ☐ Public Officials | ☐ Newspapers | ☐ Libraries |
| ☐ Legislators | ☐ Editors | ☐ Educational institutions |
| ☐ Government agencies | ☐ Civic groups or associations | ☐ Nationality groups |
| ☐ Other (specify) _____ | | |

21. What language was used in the informational materials:

- ☐ English ☐ Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes ☐ No ☐

23. Did you label each item of such informational materials with statement required by Section 4(b) of the Act? Yes ☐ No ☐

¹² The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

(Date of signature)

30 August 2006

(Type or print name under each signature¹³)

James P. Gallagher
James P. Gallagher

2006 SEP -6 AM 8:26
CRM/CES/REGISTRATION UNIT

13 This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

President
Title



U.S. Department of Justice

Criminal Division

Washington, DC 20530

THIS FORM IS TO BE AN OFFICIAL ATTACHMENT TO YOUR CURRENT SUPPLEMENTAL STATEMENT -
PLEASE EXECUTE IN TRIPLICATE

SHORT-FORM REGISTRATION INFORMATION SHEET

SECTION A

The Department records list active short-form registration statements for the following persons of your organization filed on the date indicated by each name. If a person is not still functioning in the same capacity directly on behalf of the foreign principal, please show the date of termination.

Short Form List for Registrant: Gallagher Group, L.L.C.

Last Name	First Name and Other Names	Registration Date	Termination Date	Role
Gallagher	James P.	03/03/2003		



U.S. Department of Justice

Criminal Division

Washington, DC 20530

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principals(s) who have not filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity). If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to the Registration Unit describing the activities and connection with the foreign principal.

Name	Function	Date Hired
	N/A	

Signature: J. P. Halliday
Title: President

Date: 30 August 2006

ATTACHMENT A, Section III, #11

Royal Embassy of Saudi Arabia

Pursuant to an agreement with Qorvis Communications, LLC, the Gallagher Group has provided services to the Royal Embassy of Saudi Arabia in respect to the Embassy's relationship with the U.S. Congress. The Gallagher Group's activities have consisted of scheduling meetings with Members of Congress and Congressional staff, accompanying an Embassy representative to these meetings, and providing comments and advice regarding the content of Congressional communications. The Gallagher Group advised the Embassy on the status of legislation of interest to the Kingdom, strategies for dealing with Congress and U.S. government officials, and strategies for improving U.S.-Saudi bilateral relations.

ATTACHMENT B, Section III, #12

Royal Embassy of Saudi Arabia

On behalf of the Royal Embassy of Saudi Arabia, the Gallagher Group scheduled and accompanied Embassy representatives to meetings with Members of Congress and Congressional staff. The principle focus of every meeting was to discuss U.S.-Saudi bilateral relations and U.S.-Saudi cooperation in the War on Terrorism. Other topics discussed include oil and energy issues, economic development, government reform, education, role of women, human rights, the Saudi peace initiative, and Saudi charities. The dates and individuals with whom the Gallagher Group, LLC met with or called are as follows: Meeting with Steve Petersen, Legislative Counsel, Office of Rep. Rob Bishop, 2/1/06; Meeting with Tommy Ross, Legislative Director, Office of Rep. David Price, 2/23/06; Meeting with Al Spencer, Chief of Staff, Office of Rep. Jo Bonner, 3/1/06; Call to Jen Stewart, Legislative Assistant, Office of the House Majority Leader, 3/1/06; Meeting with Laura Parker, Legislative Assistant, Office of Senator Mel Martinez, 3/2/06; Meeting with Chris Socha, Legislative Assistant, Office of Senator Jim DeMint, 3/2/06; Meeting with Congressman Chet Edwards, 3/2/06; Call to Kelly Kirk, District Director, Office of Rep. Mike Oxley, 3/7/06; Call to Ken Katzman, Analyst, Congressional Research Service, 3/7/06; Call to Mark Esper, National Security Advisor, Office of the Senate Majority Leader, 3/7/06; Call to Linda Solomon, Protocol Assistant, House International Relations Committee, 3/14/06; Call to Yleem Poblete, Professional Staff Member, House International Relations Committee, 3/14/06; Call to Bill Duhnke, Staff Director, Senate Select Committee on Intelligence, 3/14/06; Call to David Crotts, Legislative Assistant, Office of Senator Richard Burr, 3/14/06; Meeting with Darwin Cusack, Chief of Staff, Office of Rep. Charlie Bass, 3/15/06; Call to Mark Esper, National Security Advisor, Office of the Senate Majority Leader, 3/15/06; Call to Greg Riels, Legislative Assistant, Office of Senator Elizabeth Dole, 3/16/06; Call to Yleem Poblete, Professional Staff Member, House International Relations Committee, 3/16/06; Call to Linda Solomon, Protocol Assistant, House International Relations Committee, 3/16/06; Call to Jared Dilley, Legislative Assistant, Office of Rep. Oxley, 3/26/06; Call to Mark Morrison, Legislative Director, Office of Senator Robert Bennett, 3/27/06; Call to Jared Dilley, Legislative Assistant, Office of Rep. Oxley, 3/28/06; Meeting with Rep. Joe Knollenberg, 4/4/06; Call to Linda Solomon, Protocol Assistant, House International Relations Committee, 4/4/06; Meeting with Rep. Jeb Bradley, 4/5/06; Call to Stacie Oliver, Legislative Assistant, Office of Senator Mike DeWine, 4/6/06; Call to Bill Duhnke, Staff Director, Senate Select Committee on Intelligence, 4/6/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 4/13/06; Call to Tom Hawkins, Professional Staff Member, Senate Appropriations Subcommittee on Foreign Operations, 4/13/06; Call to Linda Solomon, Protocol Assistant, House International Relations Committee, 4/13/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 4/18/06; Call to Jared Dilley, Legislative Assistant, Office of Rep. Oxley, 4/18/06; Meeting with Senator Mike DeWine, 4/20/06; Call to Jen Stewart, Legislative Assistant, Office of the House Majority Leader, 4/21/06; Call to Mark Esper, National Security Advisor, Office of the Senate Majority Leader, 4/24/06; Call to Ken Katzman, Analyst, Congressional Research Service, 4/24/06; Call to Jen Stewart, Legislative Assistant, Office of the House Majority Leader, 4/26/06; Call to Ed McDonald, Chief of Staff, Office of Rep. Howard Coble, 4/26/06; Call to Linda Solomon, Protocol Assistant, House International Relations Committee, 4/27/06; Meeting with Ed McDonald, Chief of Staff, Office of Rep. Howard Coble, 5/1/06; Meeting with Ken Katzman, Al Prados, and Chris Blanchard, Congressional Research Service, 5/4/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 5/8/06; Call to Jennifer Brady, Scheduler, Office of Rep. Howard Coble, 5/8/06; Meeting with Tom Hawkins, Professional Staff Member, Senate Appropriations Subcommittee on Foreign Operations, 5/9/06; Meeting with

Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 5/9/06; Call to Kenny Kraft, Legislative Assistant, Office of Rep. Dave Hobson, 5/15/06; Meeting with Rep. Howard Coble, 5/16/06; Call to Debi Deimling, Scheduler, Office of Rep. Mike Oxley, 5/18/06; Meeting with Yleem Poblete, Professional Staff Member, House International Relations Committee, 5/18/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 5/18/06; Meeting with Tommy Ross, Legislative Director, Office of Rep. David Price, 5/18/06; Call to John Mautz, Legislative Director, Office of Rep. Howard Coble, 5/19/06; Meeting with Rep. Mark Kennedy, 5/20/06; Call to Linda Solomon, Protocol Assistant, House International Relations Committee, 5/23/06; Meeting with Greg Riels, Legislative Assistant, Office of Senator Elizabeth Dole, 5/23/06; Call to Stacie Oliver, Legislative Assistant, Office of Senator Mike DeWine, 5/24/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 5/30/06; Call to Yleem Poblete, Professional Staff Member, House International Relations Committee, 5/31/06; Call to Tom Sheehy, Staff Director, Terrorism Subcommittee, House International Relations Committee, 5/31/06; Call to Steve Green, Legislative Assistant, Office of Rep. Charles Taylor, 6/1/06; Call to EJ Kimball, Legislative Assistant, Office of Rep. Sue Myrick, 6/2/06; Meeting with Rep. Charles Taylor, 6/5/06; Meeting with EJ Kimball, Legislative Assistant, Office of Rep. Sue Myrick, 6/8/06; Call to Linda Solomon, Protocol Assistant, House International Relations Committee, 6/8/06; Call to Skip Fischer, Professional Staff Member, Senate Banking Committee, 6/13/06; Call to Lara Alameh, Professional Staff Member, House International Relations Committee, 6/13/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 6/13/06; Call to Hillel Weinberg, Staff Director, House International Relations Committee, 6/13/06; Meeting with Reps. Henry Hyde and Tom Lantos, 6/14/06; Call to Al Spencer, Chief of Staff, Office of Rep. Jo Bonner, 6/15/06; Call to Beth Sokul, Counsel, House Judiciary Subcommittee on Terrorism, 6/15/06; Call to EJ Kimball, Legislative Assistant, Office of Rep. Sue Myrick, 6/15/06; Meeting with Reps. Lincoln Diaz-Balart and Mario Diaz-Balart, 6/15/06; Call to Ana Carbonell, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 6/19/06; Call to Jared Dille, Legislative Assistant, Office of Rep. Oxley, 6/20/06; Meeting with Rep. Mike Oxley, 6/21/06; Meeting with Rep. Jo Bonner, 6/21/06; Meeting with Andy Keiser, Legislative Director, Office of Rep. Mike Rogers (MI), 6/21/06; Call to Ryan McCarthy, Professional Staff Member, House International Relations Committee, 6/22/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 6/22/06; Meeting with Rep. Mike Rogers (MI), 6/22/06; Call to Ana Carbonell, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 6/23/06; Call to Yleem Poblete, Professional Staff Member, House International Relations Committee, 6/29/06; Meeting with David Hemenway, Legislative Counsel, Office of Rep. Candace Miller, 6/29/06; Meeting with Shea Loper, Assistant, Office of the Speaker of the House, 6/29/06; Meeting with Rep. Dave Hobson, 7/10/06; Call to Arthur Estopinan, Chief of Staff, Office of Rep. Ileana Ros-Lehtinen, 7/12/06; Call to Ryan McCarthy, Professional Staff Member, House International Relations Committee, 7/12/06; Call to Ana Carbonell, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 7/12/06; Meeting with Rep. Jerry Lewis, 7/12/06; Call to Ana Carbonell, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 7/13/06; Call to Arthur Estopinan, Chief of Staff, Office of Rep. Ileana Ros-Lehtinen, 7/13/06; Call to Alan Makovsky, Senior Professional Staff Member, House International Relations Committee, 7/13/06; Call to Lara Alameh, Professional Staff Member, House International Relations Committee, 7/13/06; Call to Ana Carbonell, Chief of Staff, Office of Rep. Lincoln Diaz-Balart, 7/15/06; Call to Jordan Paul, Legislative Director, Office of Rep. Lincoln Diaz-Balart, 7/19/06; Call to Ryan McCarthy, Professional Staff Member, House International Relations Committee, 7/20/06; Call to Mike Hurst, Legislative Director, Office of Rep. Chip Pickering, 7/24/06; Call to Skip Fischer, Professional Staff Member, Senate Banking Committee, 7/24/06; Call to Rick Dearborn, Chief of Staff, Office of Senator Jeff Sessions, 7/25/06; Call to Shea Loper, Advisor, Office of the Speaker of the House, 7/27/06; Meeting with Rep. Deborah Pryce, 7/27/06; and a call to Ryan McCarthy, Professional Staff Member, House International Relations Committee, 7/31/06;

Supplemental Statement for Six Month Period Ending 7/31/06; The Gallagher Group, LLC; Registration No. 5467; Royal Embassy of Saudi Arabia.

ATTACHMENT C, Section IV, #15 (a)

Royal Embassy of Saudi Arabia

The Registrant's contract with Qorvis Communications, LLC does not allow for the billing of expenses. However, during this reporting period, the Registrant did receive permission to bill the client for travel to Miami, Florida (14-15 July). The purpose of the trip was to accompany the Ambassador to outreach meetings in Miami. Payment for those expenses has not been received. The expenses are listed below. The Registrant did not incur any other expenses or expend any funds in connection with his activities. All material used by the Registrant was provided by Qorvis Communications. All travel to Capital Hill and elsewhere was done in conjunction with other client activities.

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>
7/14/06	R/T Airfare, DCA-Miami	\$430.70
7/14/06	Meal @DCA	\$8.71
7/15/06	Hotel Accommodations	\$417.48
7/15/06	Parking @DCA	<u>\$30.00</u>
	<i>Total:</i>	\$886.89

Section IV, #15(c)

Royal Embassy of Saudi Arabia

<u>Date</u>	<u>Amount</u>	<u>Name of Candidate</u>
March 15	\$250.00	Rep. Jo Bonner (AL)
March 15	\$250.00	Rep. Jeb Bradley (NH)
May 18	\$100.00	Sen. Richard Burr (NC)
June 21	\$250.00	Rep. Jo Bonner (AL)
July 12	\$1,000.00	ROYB PAC (Rep. Roy Blunt PAC)
July 26	\$500.00	Rep. Mark Kennedy (MN)
July 27	\$500.00	Rep. Deborah Pryce (OH)

ATTACHMENT D, Section V, #16-23

Royal Embassy of Saudi Arabia

- 16. The registrant did disseminate informational materials on behalf of the foreign principal. Materials are attached to this statement.
- 17. The foreign principal was the Royal Embassy of Saudi Arabia.
- 18. No
- 19. Press Releases
- 20. Public Officials and Congressional Staff
- 21. English
- 22. Yes. Material is attached to this statement.
- 23. Yes. All material is already labeled either by Qorvis Communications, LLC or the Gallagher Group, LLC.

INITIATIVES AND ACTIONS TAKEN BY THE KINGDOM OF SAUDI ARABIA TO COMBAT TERRORISM

December 2005

Saudi Arabia is an active partner in the international coalition that was formed to combat terrorism and has been working diligently with the United States and other nations to destroy terrorist organizations and eliminate the threat they pose to the international community. Saudi Arabia, as the birthplace and cradle of Islam, has a very special role to play in the war on terrorism. Its opposition to Al-Qaeda's hateful ideology sends a clear message to the world that these extremists and their cult do not represent the peaceful Islamic religion. This stand has unfortunately made the Kingdom even more of a target, but the people of Saudi Arabia are determined not to let terrorism destroy their country or corrupt their faith.

In its efforts to confront terrorism, Saudi Arabia has:

- Questioned thousands of suspects
- Arrested more than 800 individuals
- Dismantled a number of Al-Qaeda cells
- Seized large quantities of arms caches
- Extradited suspects from other countries
- Established joint task forces with the United States

The following report is a compilation of the Kingdom's counter-terrorism efforts to date. The people of Saudi Arabia remain staunch allies of the international community in its campaign against terrorism.

Suspects Killed, Arrested and Questioned	Page 1
International Cooperation	Page 8
Regulating Charitable Organizations	Page 10
Combating Terrorist Financing and Money Laundering	Page 12
Legal and Regulatory Actions to Combat Terrorism	Page 13
Other Initiatives Related to Fighting Terrorism	Page 14

SUSPECTS KILLED, ARRESTED AND QUESTIONED

Saudi intelligence and law enforcement authorities have been working closely with the United States and other countries as well as with Interpol to identify, question and when appropriate, arrest suspects. Since September 11, Saudi Arabia has questioned thousands of suspects and arrested more than 800 individuals with suspected ties to terrorism.

Specific Actions:

- On December 3, 2005, the Ministry of Interior reported that Saudi security forces arrested 17 suspected Al Qaeda terrorists in simultaneous raids throughout the Kingdom. Saudi authorities have verified that some of the suspects participated in Al Qaeda terrorist acts, while others were suspected of sympathizing and collaborating with the group. The raids included the search of 12 residential sites in Riyadh as well as raids in Al-Kharj and Majmaah.
- On November 8, 2005, the Ministry of Interior announced a Saudi on the Kingdom's most-wanted list of terrorist suspects had been extradited from abroad to Saudi Arabia. Adnan Abdullah Faris Alamri Alshareef was #23 on the list of 36 most-wanted published June 28, 2005. Ten of those on this list have now been either killed or captured.
- On September 8, 2005, the Ministry of Interior issued details regarding a security operation that occurred in the Eastern Province city of Dammam, lasting from September 4 to 7, 2005. Security forces confronted members of the deviant group and in an ongoing exchange of fire, four individuals on Saudi Arabia's list of 36 most-wanted published June 28, 2005 were killed. They were identified as: Zaid Saad Zaid Alsamari, Salih Mansour Mohsin Alfiraidi Alharbi, Sultan Salih Hosan Alhasri and Naif Farhan Jalal Aljihaishi Alshammari. Four security officers were killed and a number wounded.
- On August 18, 2005, three terrorists were killed in raids in Riyadh and Madinah. One of them, who blew himself up in Riyadh, was identified as Majed Hamid Abdullah Alhasiri; he was on the Kingdom's list of 36 most-wanted. In Madinah, the two killed were Mohammad Abdullah Mohammad Owaidahi, and Salih Mohammad Awadallah Alalawy Aloafi; the latter was on the most-wanted list issued on December 6, 2003. Of the 26 on that list, 24 are known to have been killed or are under arrest. During the course of the raids, one security officer, Lance-Corporal Muhammad bin Moawadh Al-Shamani Al-Harbi was killed and another was slightly injured.
- On July 25, 2005, security forces arrested Mohammed Saeed Mohammed Alsiyam Alamri, a 25-year-old whose name is #10 on the list of 36 most-wanted. The arrest was a direct result of information provided by concerned citizens.
- On July 9, 2005, Saudi security authorities announced that Yemeni national Zaid Hasan Mohammed Hameed, #21 on the Kingdom's list of 36 most-wanted, has been in detention in Yemen under the name Zaid Hasan Omar Al-Ju'eidi'.
- On July 3, 2005, the Ministry of Interior reported that security forces killed Younis Mohammed Ibrahim Alhayari, a Moroccan national who was #1 on Saudi Arabia's list of 36 most-wanted. Alhayari was considered an expert in explosives and was directly involved in earlier terrorist attacks in Saudi Arabia. Following the death of his predecessor, he was nominated by members of the deviant group to head the group.

- On July 1, 2005, the Ministry of Interior reported that Fayez Ibrahim Omer Ayyoub, one of the men on the Kingdom's list of 36 most-wanted suspects surrendered to Saudi authorities upon his return to Saudi Arabia.
- On June 28, 2005, the Ministry of Interior issued a new most-wanted list, naming 36 militants wanted by the security forces in connection with terrorist incidents, and urging them to surrender to the authorities. Most of those named are Saudi nationals; there are seven non-Saudis.
- On June 21, 2005, the Ministry of Interior issued a statement in the follow-up of a June 18 murder in Makkah of a security officer, Major General Mubarak Al-Sawat. Two militants of a deviant group were identified as having committed this crime and were killed in an exchange of fire with security forces in Jeddah.
- On June 15, 2005, the Ministry of Interior reported that security forces had arrested five individuals, all of Chadian nationality, suspected of terrorist activity, including efforts to finance an Al-Qaeda cell by carrying out a series of armed robberies in Jeddah over a two-month period last year.
- On May 10, 2005, the Ministry of Interior reported that a wanted militant was wounded and arrested on May 9. He was later identified as Abdulaziz bin Rasheed bin Hamdan Altowaile'i Ala'nezi. At the scene, security forces found four highly explosive bombs, four pipe bombs, two Kalashnikov machine guns, two pistols, a quantity of varied ammunition, nine different car tags, and incriminating documents.
- On April 22, 2005, the Ministry of Interior reported security forces had killed two wanted suspects and arrested two on April 21. Two security officers were killed in the incident and four were slightly injured.
- On April 12 and 9, 2005, the Ministry of Interior issued statements giving details of the three-day shootout that began on April 3 in a residential area in the town of Ar-Rass in Qasim Province, and naming fourteen of the fifteen wanted suspects who were killed in that incident. Two, Saud Homood Obaid Alqotaini Alotaibi (Saudi) and Kareem Altohami Almojati (Moroccan), were on the list of the 26 most-wanted. Five injured suspects were arrested and a sixth surrendered.
- On April 6, 2005, security forces shot and killed Abdulrahman Mohammad Yazji, a deviant on the December 2003 list of 26 most-wanted. Found hiding out at a residential location in the Al-Sinayah industrial area in the city of Riyadh, he opened fire on the security officers. An associate with him was wounded and arrested.
- On February 5, 2005, Minister of Interior Prince Nayef bin Abdulaziz confirmed that over the past two years thirty-nine security officers have lost their lives and 213 have been wounded while carrying out their duties. He also revealed that the efforts of the security forces have succeeded in preventing 52 planned terrorist acts during this period.
- On January 9, 2005, security forces killed four terrorist suspects in a shootout in the Nafud Al-Thoweirat desert, about 50 miles from Al-Zilfi in the north of Riyadh Province. Three of them have been identified: Muhammad Abdulrahman Muhammad Al-Faraj, Mishaal Obaid Abdullah Al-Hasri, and Omar Abdullah Saad Al-Raed Al-Qahtani.
- Between December 30, 2004 and January 3, 2005, the identities were revealed of fifteen terrorists killed during the December 29, 2004 car-bombing attacks in Riyadh on the Interior Ministry and the Emergency Special Forces Headquarters, and in shootouts in connection with the incidents. Among those killed were Sultan Bjad So'doon Alotaibi and Bandar

Abdulrahman Abdullah Aldakheel, both on the Kingdom's 26 most-wanted list. A number of security officers and bystanders were injured in these attacks, but there were no fatalities.

- On December 28, 2004, a wanted suspect was killed and another wounded and arrested in a clash with a security patrol in Riyadh. One security officer was injured and a bystander killed in the incident.
- On December 6, 2004, explosives were thrown at the gate of the U.S. Consulate in Jeddah, which was briefly breached. Security forces took immediate action and were able to bring the situation under control. Four of the five assailants were killed, the fifth was arrested.
- On November 27, 2004, a suspect killed by security officers in Jeddah in the university district was identified as Isam Saddeeq Qasim Mobaraki, wanted for over a year as a known member of the deviant group.
- On November 16, 2004, security forces arrested a number of terrorist suspects following a firefight in the suburbs of Unayzah in Qasim Province. One security officer was killed and eight injured. A search of the house uncovered weapons and ammunition.
- On November 9, 2004, during a raid in the Al-Jammah district in Jeddah, one wanted suspect was killed and three others captured. Ammunition and weapons were found, including Kalashnikovs and hand-made grenades.
- On November 4, 2004, one person wanted for terrorist activities was arrested; and on October 31, 2004, three terrorist suspects were arrested in Riyadh. A search of the suspects' hideout uncovered a variety of weapons such as hand grenades, machine guns, and revolvers.
- On October 12, 2004, security forces killed three terrorist suspects, including Abdulmajeed Mohammad Abdullah Almoneea', who was on the Kingdom's list of 26 most-wanted. Seven security officers were wounded during the encounter.
- On September 23, 2004, security forces arrested a wanted suspect in Tabuk without resistance. The suspect had confirmed links to a militant who was injured and arrested in Tabuk three days before. Three security officers were wounded in that incident.
- On September 5, 2004, three security officers, Sergeant Mufleh Saad Ruweishid Al-Rasheedi, Sergeant Sayer Farhan Ghanim Al-Nomasi and Murif Shakir Eid Al-Rasheedi, were killed when their car caught fire after being hit by gunfire while pursuing a suspect vehicle. The officers were part of a security force carrying out operations in the southern part of the city of Buraidah. Seven militants were arrested in the operation.
- On September 3, 2004, one security officer, Yousef bin Ayed Al-Harbi, was killed and three injured during operations in Buraidah. Surveillance of a suspected residence and vehicle led to an exchange of fire between security forces and another vehicle. After a pursuit through a residential neighborhood, the driver of the second vehicle was killed and another individual involved in the incident was arrested.
- On September 2, 2004, the Ministry of Interior announced that Abdullah bin Abdulaziz bin Ahmed Almughrin had voluntarily surrendered to security authorities. He was wanted for his involvement in setting up an Al-Qaeda cell in the Eastern Province, three of whose members were recently arrested. The cell is suspected of preparing the attack in Al-Khobar on May 30, 2004.

- On August 30, 2004, security forces in the Eastern Province were carrying out investigations when a car carrying four persons tried to break through security barriers. In the ensuing exchange of fire, one of them was killed, and the other three wounded, and arrested. The search operation also led to the arrest of another suspect, and the seizure of two vehicles that had been under surveillance by the security forces.
- On August 11, 2004, Abdulrahman bin Obaid-Allah Al-Harbi was killed in the vicinity of the Holy Mosque in Makkah after he attacked security officers who were trying to apprehend him. He was wanted for his involvement with an extremist group and the manufacturing of explosives.
- On August 5, 2004, Faris Ahmad Jamaan Al Showeel Alzahrani, one of the leaders of the group that has been calling for terrorist attacks, was arrested.
- On July 22, 2004, Fayez bin Rasheed bin Mohammad Al-Khashman Al-Dossary surrendered to security authorities in the city of Taif, expressing the desire to benefit from the grace period offered by Custodian of the Two Holy Mosques King Fahd bin Abdulaziz.
- On July 20, 2004, in a raid on a suspected hideout in the city of Riyadh, security forces killed two suspects, one of whom, Isa Saad Mohammad bin O'ooshan, was on the list of Saudi Arabia's 26 most-wanted. Recovered during the raid were the partial remains of Mr. Paul Marshall Johnson, Jr., the American who was kidnapped and murdered by Al-Qaeda in June.
- On July 17, 2004, Ibrahim Al-Sadiq Al-Bakri Al-Qaidi arrived in the Kingdom from Damascus, where he had surrendered to the Saudi Embassy, expressing the desire to benefit from the grace period offered by Custodian of the Two Holy Mosques King Fahd bin Abdulaziz.
- On July 13, 2004, top Al-Qaeda suspect Khalid bin Odeh bin Mohammed Al-Harbi, also known as Abu Sulaiman Al-Makki, surrendered to Saudi authorities at the Saudi Embassy in Iran and was later transported to Saudi Arabia.
- On July 3, 2004, the Ministry of Interior confirmed the deaths of two militants, Rakan Muhsin Mohammed Alsaykhan and Nasir Rashid Nasir Alrashid, who were on the list of 26 most-wanted. The two died of wounds received in an incident on April 12 in the Riyadh suburb of Al-Fayha, in which a security officer was killed.
- On July 1, 2004, terrorist Awad bin Mohammed bin Ali Al-Awad, wanted for his involvement in the April 12 incident, was killed and another suspect was arrested and has been identified as Abdulrahman bin Mohammed bin Abdulrahman Al-Abdulwahab, wanted in connection with the murder of a German resident in Riyadh on May 22. A security officer, Private Muslih bin Saad Al-Qarni, was killed in this incident.
- On June 30, 2004, a terrorist was killed in a shootout in Riyadh, later identified as Fahd bin Ali Aldakheel Algablan. Security forces seized, in addition to weapons such as Kalashnikovs and pistols, a laboratory for preparing explosive devices and equipment for forging documents.
- On June 23, 2004, in a televised address read on behalf of Custodian of the Two Holy Mosques King Fahd bin Abdulaziz by Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister and Commander of the National Guard, the government of the Kingdom of Saudi Arabia offered those involved in terrorist activity a last opportunity to repent and voluntarily surrender within one month, or face resolute and determined force: whoever surrendered would be assured due process in accordance with Shariah [Islamic Law]. Hours later, Sa'aban bin Mohammed bin Abdullah Al-Lailahi Al-Shihri, wanted for the past two years, became the first militant to accept the offer and surrender to authorities. On June 28, 2004,

Osman Hadi Al Maqboul Almardy Alomary became the second to do so; he is on the list of Saudi Arabia's 26 most-wanted.

- On June 18, 2004, Abdulaziz Abdulmohsen Almughrin, head of the deviant group that has been terrorizing the Kingdom, and which was responsible for the brutal murder of U.S. hostage Paul Johnson, was one of the four suspects killed in a siege in the Maalaz area of the city of Riyadh. The three others killed were identified as Faisal bin Abdulrahman Al-Dakheel, Turki bin Fehaid Al-Mutairi, and Ibrahim bin Abdullah Al-Duraihem. One security officer was killed, and two others wounded. Found at the scene were three cars, one of which had been used in a recent attack on a BBC journalist and his photographer; ammunition and weapons, including sub-machine guns, rocket launchers, pipe bombs and grenades; and a stack of identity papers.
- On June 1, 2004, security forces killed two suspects during a shootout in an isolated area of Al-Hada on the Taif-Makkah road. The two suspects had been identified as being implicated in the criminal terrorist attack that took place in Al-Khobar on May 29, 2004, that resulted in the deaths of 22 people, including one American and three Saudis. Security forces rescued 41 hostages in that incident; one of the four terrorists was wounded and apprehended.
- On May 20, 2004, security forces killed four terrorist suspects and injured another in a gunfight in Qasim Province. The security forces came under heavy fire after locating five terrorist suspects in a rest house in Khudairah, a village in the area of Buraidah. Two security officers were killed. Weapons and ammunition were confiscated.
- On May 1, 2004, four terrorists were killed after carrying out an attack in Yanbu that left eight people dead and twenty others wounded. The four belonged to one family: Sameer Sulaiman Alansari, Sami Sulaiman Alansari, Ayman Abdulqader Alansari, and Mustafa Abdulqader Abed Alansari.
- On April 22, 2004, five terror suspects were killed following a shootout with security forces in the Al-Safa neighborhood in Jeddah. Four of them were identified as Ahmad Abdulrahman Saqr Alfadhli, Khalid Mobarak Habeeb-Allah Alqurashi, Mostafa Ibrahim Mohammad Mobarak, and Talal A'nbar Ahmad A'nbari, numbers 23, 11, 25, and 13 on the 26 most-wanted list.
- On April 18, 2004, the Ministry of Interior issued a statement explaining the developments following incidents on April 12 and 13, 2004; confirming that security forces had seized two trucks loaded with 4,118 kilograms of explosives ready for detonation, plus a car full of weapons; and adding that various other items and weapons had also been seized at different locations. Eight suspects were arrested in connection with these events.
- On March 15, 2004, security forces killed Khalid Ali Ali-Haj, a deviant on Saudi Arabia's 26 most-wanted list. Ali-Haj was a Yemeni national who trained at Al-Qaeda camps in Afghanistan where he worked closely with Osama bin Laden. Security forces searched his car and found six hand grenades, two Kalashnikov assault rifles, ten Kalashnikov ammunition magazines, three 9-mm pistols and the equivalent of about \$137,000 in cash.
- On February 22, 2004, the Ministry of Interior confirmed the death of A'amir Mohsin Moreef Al Zaidan Alshihri, who was on the 26 most-wanted list. He died some time after being wounded during a clash with police in Riyadh on November 6, 2003. The body was recovered from where it was buried, just outside the city, and DNA tests proved that it was Alshihri.
- On January 30, 2004, security forces stormed a rest house in Al-Siliye district in the east of the city of Riyadh, arrested seven suspects and seized a number of items including a car

rigged with explosives, five rocket-propelled grenade launchers, seven machine guns, 11 pistols, five hand grenades, 21 detonators, military uniforms, and ammunition.

- On January 12, 2004, the Ministry of Interior announced that, over the past six months, large quantities of ammunition and weapons had been seized. The total weight of confiscated explosives was 23,893 kilograms. In addition, 301 rocket-propelled grenades together with launchers, 431 homemade grenades, 304 explosive belts (ready for use by suicide bombers), 674 detonators, 1,020 small arms and 352,398 rounds of ammunition were confiscated.
- On December 30, 2003, Mansoor Mohammad Ahmad Fageeh, one of Saudi Arabia's 26 most-wanted terrorist suspects, surrendered to security authorities.
- On December 8, 2003, the Ministry of Interior announced that Ibrahim Mohammad Abdullah Alrayis, one of Saudi Arabia's 26 most-wanted, had been killed by security forces.
- On December 6, 2003, the Ministry of Interior published the names and photos of 26 suspects wanted by security forces in connection with the terrorist incidents that have taken place in the Kingdom in the past few months, urging them to surrender to the authorities. Immediate financial rewards of up to \$1.9 million were being offered for information leading to the arrest of any wanted suspect, or any other terrorist elements and cells.
- On November 26, 2003, a suspected terrorist was arrested. The suspect's hiding place was linked to the terrorist cell involved in the November 9 car bombing at the Al-Muhaya residential complex in Riyadh. Search of the hiding place revealed large quantities of arms and documents. Items discovered by security forces include one SAM-7 surface to air missile, five rocket-propelled grenade launchers, 384 kilogram of the powerful explosive RDX, 89 detonators, 20 hand grenades, eight AK-47 assault rifles, 41 AK-47 magazines, and 16,800 rounds of ammunition. Also recovered were four wireless communication devices, three computers, computer disks and CDs, and the equivalent of about \$25,000 in cash, as well as numerous identity cards and leaflets calling for the perpetration of acts of terror.
- On November 25, 2003, a car bomb plot was foiled in Riyadh. The encounter with security forces led to the deaths of two wanted terrorist suspects: Abdulmohsin Abdulaziz Alshabanat, who was killed in the exchange of fire, and Mosaed Mohammad Dheedan Alsobaiee, who committed suicide by detonating the hand grenade he was carrying. The vehicle that was seized was loaded with explosives and camouflaged as a military vehicle.
- On November 20, 2003, Abdullah bin Atiyah bin Hudeid Al-Salami surrendered to security authorities. He was wanted for suspected terrorist activities.
- On November 6, 2003, security forces investigating a suspected terrorist cell in the Al-Suwaidi district of the city of Riyadh came under fire from the suspects, who attempted to flee while attacking security forces with machine guns and bombs. In the exchange of fire, one terrorist was killed and eight of the security officers suffered minor injuries. On the same day, in the Al-Shara'ei district of the city of Makkah, two terrorist suspects, who were surrounded by security forces, used home-made bombs to blow themselves up.
- On November 3, 2003, Saudi police arrested six suspected Al-Qaeda militants after a shootout in the holy city of Makkah in Saudi Arabia. The raid on an apartment triggered a shootout that left two suspected terrorists dead, and one security officer wounded.
- On October 20, 2003, security forces raided several terrorist cells in various parts of the country, including the city of Riyadh, the Al-Majma'a District in Riyadh Province, Makkah Province, the Jeddah District of Makkah Province, and Qasim Province. Security forces

confiscated items including: C4 plastic explosives, home-made bombs, gas masks, and large quantities of assault rifles and ammunition.

- On October 8, 2003, security forces raided a farm in the northern Muleda area of Qasim Province and arrested a suspect. Two security officers suffered injuries.
- On October 5, 2003, security forces arrested three suspects during a raid in the desert to the east of Riyadh.
- On September 23, 2003, security forces surrounded a group of suspected terrorists in an apartment in the city of Jizan. During a gun battle, one security officer was killed and four officers injured. Two suspects were arrested and one killed. The suspects were armed with machine guns and pistols and a large quantity of ammunition.
- On July 28, 2003, security forces killed six terrorist suspects and injured one in a gunfight at a farm in Qasim Province, 220 miles north of the capital, Riyadh. Two security officers were killed and eight suffered minor injuries. Four people who harbored the suspects were arrested.
- On July 25, 2003, three men were arrested at a checkpoint in Makkah for possessing printed material that included a "religious edict" in support of terrorist acts against Western targets.
- On July 21, 2003, the Minister of Interior announced that Saudi authorities had defused terrorist operations which were about to be carried out against vital installations and arrested 16 members of a number of terrorist cells after searching their hideouts in farms and houses in Riyadh Province, Qasim Province and the Eastern Province. In addition, underground storage facilities were found at these farms and homes containing bags, weighing over 20 tons, filled with chemicals used in the making of explosives.
- On July 3, 2003, Turki Nasser Mishaal Aldandany, a top Al-Qaeda operative and one of the masterminds of the May 12 bombings, was killed along with three other suspects in a gun battle with security forces that had them surrounded.
- On June 26, 2003, Ali Abdulrahman Said Alfagsi Al-Ghamdi, a.k.a. Abu Bakr Al-Azdi, surrendered to Saudi authorities. Al-Ghamdi, considered one of the top Al-Qaeda operatives in Saudi Arabia, was suspected of being one of the masterminds of the May 12 bombings in Riyadh.
- On June 14, 2003, security forces raided a terrorist cell in the Alattas building in the Khalidiya neighborhood of Makkah. Two Saudi police officers and five suspects were killed in a shootout. Twelve suspects were arrested, and a number of booby-trapped Qur'ans and 72 home-made bombs, in addition to weapons, ammunition, and masks were confiscated.
- On May 31, 2003, Yousif Salih Fahad Al-Ayeeri, a.k.a. Swift Sword, a major Al-Qaeda operational planner and fundraiser, was killed while fleeing from a security patrol.
- On May 27-28, 2003, eleven suspects were taken into custody in the city of Madinah. Weapons, false identity cards and bomb-making materials were confiscated. In addition, Saudi national Abdulmonim Ali Mahfouz Al-Ghamdi was arrested, following a car chase. Three non-Saudi women without identity cards, who were in the car he was driving, were detained.
- In May 2003, three clerics, Ali Fahd Al-Khudair, Ahmed Hamoud Mufreh Al-Khaledi and Nasir Ahmed Al-Fuhaid, were arrested after calling for support of the terrorists who carried out the Riyadh attacks. In November 2003, Ali Fahd Al-Khudair recanted his religious opinions on

Saudi TV. Shortly after, a second cleric, Nasir Ahmed Al-Fuhaid, recanted and withdrew his religious opinions describing them as a “grave mistake.” On December 16, 2003, Ahmed Hamoud Mufreh Al-Khaledi became the third cleric to recant on national television.

INTERNATIONAL COOPERATION

Multilateral cooperation is essential in order to successfully defeat terrorism. Saudi Arabia has supported many international and regional efforts in the fight against terrorism through multilateral and bilateral agreements. The Kingdom is committed to working closely with the European, Asian and U.S. governments, and with the United Nations, to ensure that information is shared as quickly and effectively as possible.

Specific Actions:

- On July 11, 2005, Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister and Commander of the National Guard, renewed his call for improved international cooperation in the war on terrorism and the formation of an international counter-terrorism center. Crown Prince Abdullah first called for the creation of an international counter-terrorism center in February during his address before the Counter-Terrorism International Conference in Riyadh.
- On April 7, 2005, the Ministry of Interior announced that in line with the agreements recently signed on security cooperation between Saudi Arabia and the Republic of Sudan, Saudi authorities have extradited to Sudan three Sudanese citizens, who had been detained on various security issues, and received from Sudanese authorities six Saudi citizens, wanted by the security forces.
- On March 28, 2005, the Ministry of Interior reported that security authorities in the Kingdom have extradited to their Yemeni counterparts eight detained Yemenis and have received from Yemen 25 Saudi nationals wanted as suspects in security cases.
- On February 23, 2005, the Ministry of Interior reported that Saudi security authorities handed over to U.S. authorities a U.S. citizen, who was previously detained for security issues, at the request of the detainee and his family.
- On February 19, 2005, the Ministry of Interior announced that Saudi security forces had extradited 19 Yemenis, who had been detained for various security reasons.
- On February 5-8, 2005, the Counter-Terrorism International Conference (CTIC) was held in Riyadh; 51 countries and 9 international organizations attended. The participant workshops and delegate sessions concluded in a final communiqué, known as the ‘Riyadh Declaration.’
- On July 22, 2004, the final report of the National Commission on Terrorist Attacks Upon the United States confirmed: that there is no evidence the government of Saudi Arabia funded Al-Qaeda; that the post 9-11 flights that repatriated Saudi citizens, including members of the bin Laden family, were investigated by the FBI and “no one with known links to terrorism departed on these flights”; and that the Saudi government had been pursuing Osama bin Laden prior to the attacks on the United States.
- On July 2, 2004, the Financial Task Force (FATF) released its fifteenth annual report, which contains an evaluation of Saudi Arabia’s laws, regulations and systems to combat money laundering and terrorist financing. According to this evaluation: “Saudi authorities have focused

heavily on systems and measures to counter terrorism and the financing of terrorism. Specifically, they have taken action to increase the requirements for financial institutions on customer due diligence, established systems for tracing and freezing terrorist assets, and tightened the regulation and transparency of charitable organizations.”

- On April 29, 2004, the Office of the Coordinator for Counter-Terrorism of the U.S. Department of State released its 2003 ‘Patterns of Global Terrorism’ report. The report praises the Kingdom of Saudi Arabia for its “unprecedented” efforts to fight terrorism both inside its borders and abroad. Ambassador J. Cofer Black, Coordinator for Counter-Terrorism, states in his introductory remarks: “I would cite Saudi Arabia as an excellent example of a nation increasingly focusing its political will to fight terrorism. Saudi Arabia has launched an aggressive, comprehensive, and unprecedented campaign to hunt down terrorists, uncover their plots, and cut off their sources of funding.”
- U.S. Secretary of Treasury John W. Snow said on January 22, 2004: “The United States, Saudi Arabia, and our other partners around the globe have spoken out loud and clear - terrorism has no place in a civilized world. We will continue to work with Saudi Arabia and all our allies in the war against terror to seek out those who bankroll terrorist organizations and shut them down.”
- President George W. Bush said on November 22, 2003: “Crown Prince Abdullah is an honest man ... And he has told me that we are joined in fighting off the terrorist organizations which threatened the Kingdom and they threaten the United States, and he’s delivering.”
- FATF completed its mutual evaluation in September 2003 and commended Saudi Arabia for implementing the 40 recommendations on money-laundering and 8 recommendations on terror financing. According to the fifteenth annual report released in 2004, “Saudi authorities have focused heavily on systems and measures to counter terrorism and the financing of terrorism. Specifically, they have taken action to increase the requirements for financial institutions on customer due diligence, established systems for tracing and freezing terrorist assets, and tightened the regulation and transparency of charitable organizations.”
- Attorney General John Ashcroft commended Saudi Arabia’s efforts in the war on terrorism and stated, on August 29, 2003: “I believe that progress is being made and I think not only that it (cooperation) is good but it continues to improve.”
- Saudi Arabia and the United States established a second joint task force in August 2003, this one aimed at combating the financing of terror. The task force, which was initiated by Crown Prince Abdullah, is further indication of the Kingdom’s commitment to the war on terrorism and its close cooperation with the United States in eradicating terrorists and their supporters.
- In May 2003, the United States and Saudi Arabia established a task force from across law enforcement and intelligence agencies to work side by side to share “real time” intelligence and conduct joint operations in the fight against terrorism.
- On April 30, 2003, Ambassador Cofer Black, Coordinator for Counterterrorism, released the Annual Patterns of Global Terrorism 2002 report and stated that “The Saudi Government has made significant strides, certainly in the last year. They are a strong partner in the war on terrorism. In the past several months, we have made significant strides in our counter-terrorism cooperation. The Saudi Government continues to work with us in identifying and working to counter al-Qaeda and other terrorist groups In recent months, I’ve made two separate trips to Saudi Arabia to work with senior officials. This is, in part, what we believe to be a long-term pattern of close coordination on terrorism issues.”
- Saudi Arabia redeployed Special Forces to enhance security and counter-terrorism efforts.

- Saudi Arabia maintains close relationships with the intelligence and law enforcement agencies of many other nations intensifying counter-terrorism cooperation.
- Saudi government departments and banks are required to participate in international seminars, conferences and symposia on combating terrorist financing activities. Saudi Arabia has also hosted many seminars, conferences and symposia on combating terrorism; and is a member of the Financial Action Task Force (FATF) established by the G-7 in 1988.
- SAMA exchanges information on activities related to money laundering and terrorist financing with other banking supervisory authorities and with law enforcement agencies.

REGULATING CHARITABLE ORGANIZATIONS

Charitable giving is an important part of Islam and there are thousands of legitimate charities throughout the Middle East. Saudi Arabia has conducted a thorough review of its charitable organizations and has made a number of specific changes.

Specific Actions:

- Saudi Arabia has established a High Commission for oversight of all charities, contributions and donations. In addition, it has established operational procedures to manage and audit contributions and donations to and from the charities, including their work abroad.
- In March 2002, the U.S. Treasury Department and Saudi Arabia blocked the accounts of the Somalia and Bosnia branches of the Saudi Arabia-based Al-Haramain Islamic Foundation. While the Saudi headquarters for this private charity is dedicated to helping those in need, the United States and Saudi Arabia determined that the Somalia and Bosnia branches supported terrorist activities and terrorist organizations such as Al-Qaeda and AIAI (al-Itihaad al-Islamiya). In May 2003, Saudi Arabia asked the Al-Haramain Islamic Foundation and all Saudi charities to suspend activities outside Saudi Arabia until mechanisms are in place to adequately monitor and control funds so they cannot be misdirected for illegal purposes.
- In the summer of 2002, in another successful joint anti-terrorism action, the Kingdom of Saudi Arabia and the United States took steps to freeze the assets of a close bin Laden aide, Wa'el Hamza Julaidan, who is believed to have funneled money to al-Qaeda. Julaidan served as the director of the Rabita Trust and other organizations.
- In December 2002, a special Financial Intelligence Unit was established to track charitable giving to ensure that no funds reach evildoers.
- On April 30, 2003, Ambassador Cofer Black, Coordinator for Counterterrorism stated: "We are pleased with the steps the Saudis are taking to ensure that all charitable donations by Saudis reach their intended good works and that no funds from Saudi Arabia are diverted by those who would use them for evil purposes."
- In May 2003, SAMA instructed all banks and financial institutions in the Kingdom to stop all financial transfers by Saudi charities to any accounts outside the Kingdom.
- In May 2003, Saudi Arabia asked the Al-Haramain Islamic Foundation and all Saudi charities to suspend activities outside Saudi Arabia until mechanisms are in place to adequately monitor and control funds so they cannot be misdirected for illegal purposes.

- Also in May 2003, the Saudi Arabian Monetary Agency (SAMA) distributed an update entitled "Rules Governing Anti Money Laundering and Combating Terrorist Financing" to all banks and financial institutions in Saudi Arabia requiring the full and immediate implementation of nine new policies and procedures. The new regulations include:
 - All bank accounts of charitable or welfare societies must be consolidated into a single account for each such society. SAMA may give permission for a subsidiary account if necessary, but such an account can only be used to receive, not to withdraw or transfer, funds.
 - Deposits in these accounts will be accepted only after the depositor provides the bank with identification and all other required information for verification.
 - No ATM cards or credit cards can be issued for these accounts. No cash withdrawals are permitted from the charitable institution's account, and all checks and drafts are to be in favor of legitimate beneficiaries and for deposits in a bank account only.
 - No charitable or welfare society can open or operate these bank accounts without first presenting a valid copy of the required license.
 - No overseas fund transfers are allowed from these bank accounts.
 - SAMA's approval is required to open a bank account.
 - Only two individuals duly authorized by the Board of a charitable institution shall be allowed to operate the main account.
- On December 22, 2003, Saudi Arabia and the United States took steps to designate two organizations as financiers of terrorism under United Nations Security Council Resolution 1267 (1999). These organizations are the Bosnia-based Vazir and the Liechtenstein-based Hochburg AG. Mr. Safet Durguti, a representative of the Vazir organization, has also been designated under the relevant United Nations Security Council Resolutions as a terrorist financier. This was the third joint action taken against terrorist financing by the United States Treasury Department and the Kingdom of Saudi Arabia.
- On January 22, 2004, Crown Prince Abdullah's Foreign Affairs Advisor Adel Al-Jubeir and Secretary of the Treasury John Snow held a joint press conference in Washington, DC to announce that Saudi Arabia and the United States had asked the UN Sanctions Committee to designate four branch offices of the Al-Haramain Foundation under UN Security Council 1267. The branches are located in Kenya, Tanzania, Pakistan and Indonesia and subject to the laws and regulations of those countries.
- On February 27, 2004, the Custodian of the Two Holy Mosques King Fahd bin Abdulaziz issued a royal order approving the creation of the Saudi National Commission for Relief and Charity Work Abroad, which is charged with the exclusive responsibility for all donations and contributions outside the Kingdom.
- On June 2, 2004, a press conference was held at the Royal Embassy of Saudi Arabia in Washington, DC to announce that Saudi Arabia and the United States had jointly designated five branch offices of the Al-Haramain Islamic Foundation under UN Security Council Resolution 1267. It was also announced that Saudi Arabia is folding Al-Haramain and other charities which used to operate abroad into the Saudi National Commission for Relief and Charity Work Abroad.

COMBATING TERRORIST FINANCING AND MONEY LAUNDERING

In the wake of the events of September 11, the Kingdom of Saudi Arabia took prompt action on September 26, 2001 and required Saudi banks to identify and freeze all assets relating to terrorist suspects and entities per the list issued by the United States government on September 23, 2001. Saudi banks have complied with the freeze requirements and have initiated investigations of transactions that suspects linked to Al-Qaeda may have undertaken in the past.

Specific Actions:

- In August 2003, the Council of Ministers approved new legislation that puts in place harsh penalties for the crime of money laundering and terror financing. This legislation stipulates jail sentences of up to 15 years and fines up to \$1.8 million for offenders. The new law implements the forty recommendations of the Financial Action Task Force (FATF) on money-laundering and the 8 recommendations on terror financing.
- In February 2003, the Saudi Arabian Monetary Agency (SAMA) began to implement a major technical program to train judges and investigators on legal matters involving terrorism financing and money-laundering methods, international requirements for financial secrecy, and methods followed by criminals to exchange information.
- Saudi Arabia was one of the first countries to take action against terrorist financing, freezing the assets of Osama bin Laden in 1994.
- Saudi Arabia has investigated many bank accounts suspected of having links to terrorism and has frozen more than 40 accounts.
- Saudi Arabia, as a member of the G-20, approved an aggressive plan of action directed at the rooting out and freezing of terrorist assets worldwide. Saudi Arabia is proud to have been a leader in the development of this plan and its implementation, and of key objectives for U.S. and international policies for dealing with terrorism now and in the future.
- SAMA instructed Saudi banks to promptly establish a supervisory committee to closely monitor the threat posed by terrorism and to coordinate all efforts to freeze the assets of the identified individuals and entities. The committee is composed of senior bank officers who are in charge of risk control, auditing, money-laundering units, legal affairs, and operations. The committee meets regularly in the presence of SAMA officials.
- Saudi banks have put in place, at the level of their Chief Executive Officers, as well as at the level of a supervisory committee, mechanisms to respond to all relevant inquiries, both domestic and international. To ensure proper coordination and effective response, all Saudi banks route their responses and relevant information via SAMA.
- A Special Committee was composed of representatives from the Ministry of Interior, Ministry of Foreign Affairs, the General Directorate of Intelligence and SAMA to handle requests from international bodies and countries with regard to combating terrorist financing.
- Even before September 11, Saudi Arabia had taken steps to ensure that its financial system is not used for illegal activities. In 1988, the Kingdom signed and joined the United Nations Convention against Illicit Trafficking of Narcotics and Psychotropic Substances. In 1995, Saudi Arabia established units countering money laundering at the Ministry of Interior, in SAMA and in the commercial banks.

LEGAL AND REGULATORY ACTIONS TO COMBAT TERRORISM

The Kingdom has a strong legislative, regulatory and supervisory framework for banking and financial services. This infrastructure ensures that each bank or other financial service provider remains vigilant and also has strong internal controls, processes and procedures to not only know the identity of its customers but also have awareness of their activities and transactions. Money-laundering and other suspicious activities are targeted and all those found violating laws and regulations are subject to severe financial penalties and imprisonment.

Specific Actions:

- SAMA and the Ministry of Commerce have issued instructions and guidelines to the Kingdom's financial and commercial sectors for combating money-laundering activities. To further strengthen and implement the current regulations, the Ministry of Commerce issued Regulation #1312 aimed at preventing and combating money laundering in the non-financial sector. These regulations are aimed at manufacturing and trading sectors and also cover professional services such as accounting, legal affairs, and consultancy.
- The Saudi Government has taken concrete steps to create an institutional framework for combating money laundering. This includes the establishment of units to counter money laundering, with trained and dedicated specialist staff. These units work with SAMA and law enforcement agencies. The government has also encouraged banks to bring money-laundering-related experiences to the notice of various bank committees (such as Fraud Committees, and those of Chief Operations Officers and Managing Directors) for exchange of information and joint action.
- Saudi banks and SAMA have implemented an online reporting system to identify trends in money-laundering activities to assist in policy-making and other initiatives.
- In May 2003, SAMA issued instructions to all Saudi financial institutions to strictly implement 40 recommendations of the FATF regarding money laundering and the eight recommendations regarding terror financing. Furthermore, SAMA issued instructions to all Saudi financial institutions prohibiting the transfer of any funds by charitable organizations outside the Kingdom.
- Another major institutional initiative is the creation of a specialized Financial Intelligence Unit (FIU) in the Security and Drug Control Department of the Ministry of Interior. This unit is specially tasked with handling money-laundering cases. A communication channel between the Ministry of Interior and SAMA on matters involving terrorist-financing activities has also been established.
- In May 2002, SAMA issued rules "Governing the Opening of Bank Accounts" and "General Operational Guidelines" in order to protect banks against money-laundering activities. For instance, Saudi banks are not permitted to open bank accounts for non-resident individuals without specific approval from SAMA. Banks are required to apply strict "Know your Customer" rules and any non-customer business has to be fully documented.
- Saudi Arabia carries out regular inspections of banks to ensure compliance with laws and regulations. Any violation or non-compliance is cause for serious action and is referred to a bank's senior management and the Board. Furthermore, the Government has created a permanent committee of banks' compliance officers to review regulations and guidelines and recommend improvements, and to ensure that all implementation issues are resolved.

- Saudi authorities have made significant efforts to train staff in financial institutions and others involved in compliance and law as well as those in the Security and Investigation departments of the Ministry of Interior.
- Special training programs have been developed for bankers, prosecutors, judges, customs officers and other officials from government departments and agencies. Furthermore, training programs are offered by the Nayef Arab University for Security Sciences (formerly the Nayef Arab Academy for Security Sciences), the King Fahd Security Faculty, Public Security Training City, and SAMA.
- The Saudi government has established a permanent committee of representatives of seven ministries and government agencies to manage all legal and other issues related to money-laundering activities.
- In 1995, SAMA issued "Guidelines for Prevention and Control of Money-Laundering Activities" to Saudi Banks to implement "Know your Customer" rules, maintain records of suspicious transactions, and report them to law enforcement officials and SAMA.
- The first conference for FATF outside the G-7 countries was held in Riyadh at the SAMA Institute of Banking in 1994.

OTHER INITIATIVES RELATED TO FIGHTING TERRORISM

Saudi Arabia has publicly supported and extended cooperation to various international efforts to combat terrorism. These include:

- An international conference on counter-terrorism was held in Riyadh from February 5-8, 2005. The conference highlighted the ideology and causes of terrorism, the relationships between terrorism and money laundering, narcotics, and arms smuggling, and the structural aspects of terrorist organizations, their composition and working patterns. Participating countries and international organizations shared their experiences in combating terrorism while attempting to reach practical conclusions and suggestions for the support of international efforts in the war on terrorism.
- In January 2004, while in Tunis for the 21st session of the Arab Interior Ministers' Council, Minister of Interior Prince Nayef bin Abdulaziz called for better coordination of counter-terrorism efforts throughout the Arab world, declaring: "It is painful to have some of our sons as tools of terrorism, but with the joint efforts by our scholars, intellectuals and mass media, we can confront this matter and purify our Islamic and Arab thought from all blemishes."
- Saudi Arabia has signed a multilateral agreement under the auspices of the Arab League to fight terrorism.
- Saudi Arabia participates regularly and effectively in G-20 meetings and the Kingdom has signed various bilateral agreements with non-Arab countries.
- Every 90 days, Saudi Arabia prepares and submits to the UN Security Council Committees upon their request, a report on the initiatives and actions taken by the Kingdom with respect to the fight against terrorism.

- The Kingdom has supported the following requirements of various UN resolutions related to combating terrorism:
 - Freezing funds and other financial assets of the Taliban regime based on UN Security Council Resolution 1267.
 - Freezing funds of listed individuals based on UN Security Council Resolution 1333.
 - Signing the International Convention for Suppression and Financing of Terrorism based on UN Security Council Resolution 1373.
 - Reporting to the UN Security Council the implementation of Resolution 1390.
- Saudi Arabia has given support to and implemented Resolution No. 1368 dated September 12, 2001 related to the financing of terrorist activities.



Royal Embassy of Saudi Arabia

Information Office

601 New Hampshire Avenue, NW, Washington, DC 20037

Tel: (202) 337-4134 Fax: (202) 944-5983

www.saudiembassy.net

*This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia.
Additional information is available at the Department of Justice, Washington, DC.*

U.S.-Saudi Strategic Dialogue

Following is the text of the United States-Saudi Arabia Strategic Dialogue Joint Statement:
Begin Text

Secretary of State Condoleezza Rice and Minister of Foreign Affairs Prince Saud Al-Faisal today co-chaired the second Ministerial Meeting of the United States-Saudi Arabia Strategic Dialogue. The Strategic Dialogue was established by President George Bush and then-Crown Prince, now King, Abdullah at their summit meeting in Crawford in April 2005. Its first formal meeting was inaugurated by Secretary Rice and Foreign Minister Saud in Jeddah in November 2005. The Strategic Dialogue meets every six months, alternating between Saudi Arabia and the United States, to discuss issues of strategic importance to the two countries. The Working Groups meet on a continuous or "as needed" basis to deal with functional issues and provide an institutional framework through which officials from a number of departments and Ministries from both governments work to constructively and comprehensively address a range of issues of importance to both countries.

One of the key objectives of the Strategic Dialogue is to institutionalize relationships across government departments in both countries to ensure that issues are dealt with effectively. This is done through the working groups. At the level of the Strategic Dialogue, senior officials from both governments have the opportunity to assess the overall relationship and to exchange views on strategic matters of importance to both countries, whether these matters are bilateral, regional or international. Since the initiation of the Strategic Dialogue, our two countries have been able to clearly and honestly exchange views on bilateral, regional and international issues. The Dialogue has also contributed to educating each other about certain aspects of our respective societies and systems. This has led to better understanding on both sides, which in turn has eased some of the respective concerns we may have had about each other. We look forward to further enhancing our understanding of each other in a manner that serves both our people.

During today's meetings, the Chairs of the respective Working Groups reported on their activities and discussed their agendas for the next six months.

- **The Counterterrorism Working Group** provided an overview of the extensive counterterrorism and counter-terror financing efforts by both countries, including joint efforts and training programs. They also discussed ways to enhance international cooperation in the war on terror, in particular the exchange of information.
- **The Military Affairs Working Group** works as part of the existing Strategic Joint Planning Committee (JPC) between the two militaries. The JPC is working to enhance interaction between the two militaries and to support the Kingdom's efforts to upgrade its military capabilities.
- **The Energy Working Group** represents the Bilateral Energy Talks which have been in existence since the late 1980's. The aim of this working group is to deepen the existing bilateral dialogue on energy. As the world's largest oil producing and consuming countries, Saudi Arabia and the United States have a shared strategic interest in secure and stable energy markets and moderate prices that support strong world economic growth.
- **The Economic and Financial Affairs Working Group** continued its efforts to enhance economic cooperation, trade and investment between the two countries by setting an Action Plan for 2006. The Action Plan will address trade and investment climate issues, coordination of aid, and regional issues of mutual concern. The Working Group will meet in the Fall.

8/30/2006

- **The Consular Affairs Working Group** seeks to initiate cooperative measures related to a wide array of consular issues affecting citizens of both nations including: problems relating to child custody and abduction, which will be considered in a humane manner that gives primacy to the interests of children and families; barriers to entry and exit; and establishment of an equitable visa system that provides robust security while facilitating legitimate travel for nationals of both nations.
- **The Partnership, Education, Exchange, and Human Development Working Group** seeks to promote mutual understanding between the United States and Saudi Arabia and increase cultural and educational exchanges between the two countries. In this regard, both sides will continue discussions to reach agreement on the King Abdulaziz Al-Saud – Franklin Delano Roosevelt Scholarship Program, a merit-based program for Saudi undergraduates to study in the United States. The United States side was pleased with the decision of the Saudi government to form an interagency group to enforce Saudi laws regarding trafficking in persons. It also welcomes the measures the Saudi government has taken to combat extremism and intolerance. The two sides agreed on the ongoing need to combat extremism and promote intercultural understanding and mutual tolerance. The United States and Saudi Arabia agreed to work together to establish a Junior Achievement chapter to promote entrepreneurship and job skills training for Saudi youth and foster private sector development. They also agreed to continue efforts to increase people-to-people contacts and promote understanding through exchanges and other efforts.

Both sides agreed that a stable, democratic, unified, pluralistic, and prosperous Iraq is in the interest of all countries, and expressed their hope that the new Iraqi government will work to preserve the unity, identity and territorial integrity of Iraq, and their intent to support the new Iraqi government both politically and economically.

Secretary Rice and Foreign Minister Saud reiterated the critical importance of achieving a just, comprehensive, and lasting peace in the Middle East. They also expressed their opposition to any unilateral steps taken by either side in the dispute that may prejudice final status negotiations or undermine progress toward a two-state solution. Both sides recognize the importance of providing assistance to the Palestinian people, pledge to work to ensure that such assistance is forthcoming and delivered through proper channels, and hope that the Quartet will follow through on its May 9 statement regarding a special mechanism that will be implemented efficiently and in a timely manner, to ensure direct delivery of aid to legitimate recipients. With regard to Iran, Secretary Rice and Foreign Minister Saud expressed their shared concern about the serious threat of nuclear weapons proliferation in the region. Prince Saud reiterated the Gulf Cooperation Council's position that the whole Middle East, including the Gulf region, should be free of all weapons of mass destruction, in particular nuclear weapons. The United States and Saudi Arabia look to Iran to work with the international community to play a constructive role in the region. Saudi Arabia is studying positively the Proliferation Security Initiative.

Secretary Rice and Foreign Minister Saud expressed their satisfaction with the second round of the Strategic Dialogue, and both look forward to continuing this important dialogue between the two countries. The next meeting of the Strategic Dialogue will take place in the Kingdom in the fall of this year.

End Text.

2006/516

Released on May 18, 2006

This material is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

Saudi Arabia and the War on Terrorism

- The amendment introduced today by Rep. Anthony Weiner to the Foreign Operations Appropriations Bill eliminating funds for the Kingdom of Saudi Arabia is harmful to U.S. interests and interferes with an important counterterrorism program.
 - Last year the amendment attempted to eliminate \$25,000 from the FY2006 bill for Saudi Arabia's participation in the IMET program. The IMET program enables Saudi Arabia to purchase U.S. military training and equipment to fight terrorism.
- The U.S. and Saudi Arabia are working to build a stronger, closer partnership to fight terrorism globally; it would be counterproductive for such legislation as the Weiner Amendment to pass, as it undermines the coordination and cooperation we are working to achieve to fight a common enemy.
 - As Secretary of State Rice said in May at a joint press conference following a meeting of the U.S.-Saudi Strategic Dialogue with Saudi Arabia's Foreign Minister Prince Saudi Al-Faisal, the U.S.-Saudi relationship *"is both deep and broad, a relationship that goes back decades, and a relationship that is critically important not just to the peace and security of the region, but to the peace and security of the world."*
- Like the U.S., Saudi Arabia is a target of terrorism. The U.S. government needs to continue to forge a stronger partnership and closer coordination with the Saudis to ensure that terrorism is eliminated throughout the world.
 - Homeland Security Advisor Frances Townsend stated at the Counterterrorism International Conference hosted by Saudi Arabia in Riyadh: *"The world cannot succeed in defeating global terrorism without Saudi Arabia's victory over terrorism and extremism on its own soil. We stand with the Saudis in that fight and this conference is a testament to their commitment – to their dedication to combating terrorism."*
- Saudi Arabia is a full partner of the United States in fighting terrorism, and the Kingdom has made many efforts to combat this threat, both within its country and around the world.
 - Saudi officials work closely with the U.S. Administration, including the Departments of Treasury, State, and Homeland Security to ensure the highest level of cooperation. The U.S. and Saudi Arabia have established two joint task forces – one to allow law enforcement and intelligence agencies to work side-by-side to conduct joint operations against terrorists, and another to combat the financing of terrorism.

- The U.S.-Saudi Strategic Dialogue, incorporated in November 2005, chaired by Secretary of State Rice and Saudi Foreign Minister Prince Saud, includes a subgroup dedicated specifically to developing closer coordination on combating terrorism, terror financing, and the mindset that support terrorism.
- To combat terror financing, the Saudi government has put in place one of the most rigorous systems in the world for controlling charities and has implemented all 40 recommendations on money-laundering and all 8 recommendations on terror financing set by the Financial Action Task Force (FATF), which was established by the G-8 countries and is regarded as the world's premier authority on establishing standards for combating money laundering and terror financing.
 - Its 15th Annual Report in 2004 confirmed that Saudi Arabia had adopted the FATF standards. The report was written after the Task Force sent a team to the Kingdom in the fall of 2003 to conduct a "mutual evaluation", and provided the following assessment: *"Saudi authorities have focused heavily on systems and measures to counter terrorism and the financing of terrorism. Specifically, they have taken action to increase the requirements for financial institutions on customer due diligence, established systems for tracing and freezing terrorist assets, and tightened the regulation and transparency of charitable organizations."*
 - As a further means to increase regulation and track the movement of money through the Kingdom, the Saudi government has decreased the reporting threshold for cash transiting its borders to 60,000 Riyals (\$16,000). The U.S. government is also currently engaged in a training program for Saudi officials to instruct them on how to spot cash couriers.
- Saudi Arabia has made many efforts to combat extremism in its society.
 - In 2005, for example, the Saudi government launched a public awareness campaign to reinforce the true values of the Islamic faith and educate Saudi citizens about the dangers of extremism and terrorism. Such programs are all dedicated to informing our citizens that intolerance, violence and extremism are not a part of our Islamic faith or Saudi culture.
 - The Saudi government has also openly acknowledged that its education system needs to be updated. During the last several years, Saudi Arabia has been working to overhaul its education system, which includes textbooks, curriculums, teacher training, and the introduction of new teaching methods.
 - Updating the educational system is a major undertaking. Several hundred thousand public school teachers are being trained, but the process remains ongoing.

This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

FOR IMMEDIATE RELEASE

May 22, 2006

CONTACT:

Saudi Information Office

(202) 337-4076

www.saudiembassy.net

SAUDI AMBASSADOR RESPONDS TO FREEDOM HOUSE EDITORIAL

SHARM EL-SHEIKH, Egypt [May 22, 2006] – *The following statement was issued today by Saudi Ambassador Prince Turki Al-Faisal in response to an editorial by Nina Shea, Director of the Center for Religious Freedom at Freedom House, published in The Washington Post on May 21, 2006:*

The Saudi government has worked diligently during the last five years to overhaul its education system, which includes textbooks, teacher training, and the introduction of new teaching methods. To ensure optimal results, the planning, implementation and assessment of these changes are being conducted with assistance from consulting firms and national governmental and non-governmental educational institutes. All of this has been done in the public setting, with debate and open discourse taking place in National Dialogues, the Kingdom's Consultative Council, and throughout the Ministry of Information. Freedom House neglects to mention these facts.

Overhauling an educational system is a massive undertaking. There are hundreds of books that are being revised to comply with the new requirements, and the process remains ongoing. The report submitted by the Embassy of Saudi Arabia to Congress earlier this year on textbook revision is by no means a final report, and was never presented as such. Again, Freedom House does not mention this fact.

Moreover, the materials used in the Saudi education system are in the public domain, and are provided to students free of charge. These texts can be obtained at schools and other institutions throughout Saudi Arabia, and do need not be "smuggled" or "slipped out" of the Kingdom. As with previous reports, Freedom House continues to exhibit a disregard for presenting an accurate picture of the reality that exists in Saudi Arabia.

The Saudi position on education reform has been clearly articulated by the Kingdom's political and religious leaders. The objective of the educational system is to fight intolerance and to prepare Saudi youth with the skills and knowledge to compete in the global economy.

###

This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

“The Middle East on the Global Agenda: A Saudi Perspective”

**Speech delivered by Prince Turki Al-Faisal
At the International Peace Conference at the United State Military Academy
in West Point, New York on May 2, 2006**

Thank you for inviting me to speak before you today on behalf of Saudi Arabia.

I am very glad to be in attendance at this important conference to discuss the issues facing the Middle East. Conferences like these have the potential to bear new ideas to help the world avoid conflict and promote peace.

I have been reading a book called 1776, in which General George Washington distinguishes himself by avoiding as much bloodshed as possible. In similar fashion, other distinguished military leaders throughout history have been the primary peacemakers that brought seemingly intractable military conflict to peaceful resolution. Eisenhower in Europe, MacArthur in Japan, Sadat in Egypt, Rabin in Israel, DeGaulle in Algeria.

The type of discourse encouraged by the International Peace Academy gives me great hope that we may again achieve harmony where long there has been conflict, both in the Middle East region and in the global community.

Ladies and Gentlemen:

Since the very birth of civilization, the Middle East has been a major crossroads of the world. Trade routes through the region have been crucial for economic exchange from all continents. And, perhaps most significantly, this land saw the birthplace of the world's three monotheistic religions.

While great benefits to humanity have resulted over the ages because of the Middle East's geographic position, our region today is at the crossroads of many of the political trends of the world. And certainly, the mixing and interacting of these ideas have often occurred in very violent ways.

But it is important that we remember that conflicts that we are dealing with today did not grow inherently from the lands of the Middle East. Rather, because of the way the world's problems have come together in this region, and the result of big power ambitions, the Middle East has played a very critical, very pivotal role in the affairs of countries all over the globe.

Saudi Arabia is fortunate to be a stabilizing force in this region and in the world, as Saudi King Abdullah has acknowledged: “We are part of the international community, and

whatever happens there we are influenced by, though we influence it in return. Our position is to maintain friendship and cooperation with all....”

So this evening, I want to discuss how Saudi Arabia is cooperating with its neighbors in the region and members of the global community to ensure that, as we work towards a more stable and prosperous Middle East, and in turn a more stable and prosperous world, we are not overlooking the needs of the people whose lives we are trying to make better.

During the last century, as we tried to solve the global issues that intersect in this region, the world had many times lost sight of the local issues that have been fueling the larger conflicts.

The divvying up of the region for oil, for influence, and for profit in the immediate aftermath of World War One initiated a great deal of discontent. The decisions that were made by foreign powers incorporated little understanding of the historical and cultural, and most importantly, religious context of the region.

The Middle East was again affected by external powers after the Second World War through the partitioning of lands, the struggle of nations growing from their roots in colonialism, and later, some of the more heated battles of the Cold War.

Indeed, as I have reviewed the agenda for this conference, I see that the implications of these issues will not go unaddressed. But as we discuss the merits of nation building, as we talk about frameworks for peace, and new ways of negotiating, and how to cooperate to a greater extent on economic issues, let us not forget that at the heart of all of our efforts and all our discussion lies the people of the Middle East – the men and women and children of each nation who live each day with these issues.

We need to listen to the people. They are the ones who will stand up for peace or be the victims of the next act of violence based on how the world’s problems play out in their back yards.

And today this realization is more important than ever, because we face another world war – the global war against terrorism. And again, the face of the Middle East is being altered because of it. But this time there are no traditional frontlines. The grounds for these battles are in the hearts and minds of the people.

And unlike previous wars, our work to repair the damage will not wait until the conflict is over. In fact, how we win this war is truly not only by defeating new enemies, but also by healing old wounds. So we must bring people together, provide them with a path to peace and prosperity, and open them up to understanding.

It is for this reason that Saudi Arabia continues to work closely with its global partners, including the United States, to establish frameworks for peace to resolve the conflicts that exist in the Middle East. These frameworks are based on the needs of the people. And we are hopeful that by ensuring that there is an accepted process in place, these initiatives

can gather momentum with time and achieve the peace we seek. As the Arab saying goes: "The beginning of a deluge is a drop of rain."

If we look at the Arab-Israeli conflict, for example, Saudi Arabia wants to ensure that there is a calm, deliberate approach to allow the peace process to move forward.

There are many concerns with Hamas, but the world community must accept the fact that the Palestinian people have elected a new leadership. So, we have to deal with that issue on the basis that this is the choice of the Palestinian people.

The reality is that until the Palestinians finally have their own homeland, where they can live in peace, this conflict will remain not just a tragedy but provide terrorists with an excuse for their terrible actions throughout the world.

Saudi Arabia believes that the adoption of the Arab Peace Plan adopted at the Beirut Summit in 2002 represents the only concrete solution to the longest conflict in modern history. We hope that both the Palestinian and the Israeli governments will endorse this plan, and take all the necessary steps to implement it.

Another example is Iraq. There, Saudi Arabia has again taken steps with the Arab League to promote a common future for Iraqis, in which the country's unity and territorial integrity is preserved, and in which every Iraqi faction is treated justly.

It is in this spirit that Saudi Arabia encourages a continuation of the comprehensive national dialogue among all Iraqis. The first round was held in Cairo late last year, and we hope that the second round will be held in Baghdad soon, following the formation of an Iraqi government.

Of course, even where we have seen progress, as we have in Afghanistan, we must still support these people as they try to build a stable nation. The Afghan people have fought hard against their aggressors and continue to work to ensure a lasting peace. As we witness the first signs of positive development, we must encourage the emergence of a national government and programs to disarm illegal groups.

Ladies and Gentlemen:

Each of these areas presents its own complicated situation that requires understanding and, certainly, patience. The delicate issues of ethnic strife, religious tolerance, and national identity, are powerful enough to inflame the passions of any person.

If worldwide audiences could see what millions of Arabs see nightly on their television screens, they would understand the overwhelming emotional impact that turmoil like that created by the Palestinian-Israeli conflict has on the ordinary man and woman in the Middle East.

But all too often what is on television or in the news is too one sided to offer any understanding. Much of our discourse has become fragmented in today's "sound bite" world of 24-hour news. And more has been unfortunately written or spoken with purely political intent, which aggravates already sensitive people.

Although modern technology – like cell phones and the internet and satellite television – provide us with unparalleled opportunities to reach out and communicate with one another, people need to use them responsibly.

The world that demands stability in the Middle East cannot at the same time provoke hostilities, whether it is inadvertent or not. The world needs to be aware of the issues that are sensitive, because an irritated wound will not heal.

An unfortunate example of this occurred earlier this year with the publishing of certain cartoons of the Prophet Muhammad, peace be upon him. Personally, I found the cartoons to be despicable and reprehensible. All rights, including free speech, come with responsibility and an obligation to respect our fellow human beings. Those that published those cartoons claim that they may not have broken any laws, but they certainly shattered any moral code of conduct.

However – no matter the level of profanity of what the cartoons depicted, those in the Muslim community who reacted with violence were unjustified. We must calmly appeal for greater cultural understanding and respect for what is sacred.

Throughout the global community, we must be working to promote greater understanding among people. And indeed, we in the Middle East need to do our part as well.

In Saudi Arabia, we have initiated a public awareness campaign on billboards, and television and in schools that calls for tolerance and moderation. We have also overhauled our education system by bringing in new curricula that emphasizes critical thinking, and we are investing heavily in new schools and programs. And we are sending Saudi students out into the world on scholarships to receive their college education. Some 6,000 are already signed up to come to the U.S. alone. These students will be going out into the world to build the bridges of understanding, which we need.

Within the Muslim world, King Abdullah has called upon members of the Organization of the Islamic Conference to commit to a ten-year strategic plan of reforms, which are marked by moderation, modernization, and tolerance.

This is progress, and I am very hopeful, as I have always been. The state of mankind is not to exist in isolation or in fear or despair of one another. As it is revealed in the Quran: "Oh mankind! We created you from a single pair of a male and a female, and made you into nations and tribes, that ye may know each other."

Although we have difficult challenges ahead of us, I am optimistic.

Right now, ladies and gentlemen, economies in the Middle East are growing and exhibit the confidence of the people. Prosperity is spreading. We see new levels of cooperation in many areas – and certainly within the Muslim world. And we are seeing many successes in the global war on terrorism.

We know the problems we face today will not be solved over night, but if we work to keep the solutions in place, they will eventually be reconciled. And if we pay attention to the basic needs of the people, we will avoid adding to tomorrow's conflicts as well.

Humanity is now certain about the importance of peace and the advantage of international understanding. Let us continue to promote cooperation and strengthen our collective will to bring about the hopes of all nations, in order for our people to prosper and benefit from mutual exchange.

As we say in Arabic – ashkurukum shukran jazeelan – thank you all very much – and Barak Allah Feekum – and God bless you all.

This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

FOR IMMEDIATE RELEASE

May 19, 2006

CONTACT:

Saudi Information Office

(202) 337-4076

www.saudiembassy.net

**SAUDI FOREIGN MINISTER MEETS WITH PRESIDENT FOLLOWING
SECOND SAUDI-U.S. STRATEGIC DIALOGUE**

WASHINGTON, DC [May 19, 2006] – Today, Saudi Minister of Foreign Affairs Prince Saud Al-Faisal met with President George W. Bush at the White House to discuss bilateral relations between Saudi Arabia and the United States. Yesterday, Prince Saud and U.S. Secretary of State Condoleezza Rice co-chaired the second session of the Saudi-U.S. Committee for Strategic Dialogue. The meeting, which took place in Washington, DC, featured discussion related to the activities of the Dialogue's Working Groups, consisting of Counterterrorism, Military Affairs, Energy, Economic and Financial Affairs, Consular Affairs, and Partnership, Education, Exchange & Human Development. The Working Groups also outlined their agendas for the next six months.

"The Strategic Dialogue is proving to be an effective way of maintaining communication and cooperation between Saudi Arabia and the U.S. on a variety of important international issues," Saudi Ambassador to the U.S. Prince Turki Al-Faisal remarked. "We look forward to meeting again in the fall, when we can assess our progression toward our mutual goals."

The Strategic Dialogue was established by Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz and President Bush during their April 25, 2005 meeting in Crawford, Texas. The first session took place in November 2005 in Jeddah, Saudi Arabia. The meetings, which take place every six months, alternating between Saudi Arabia and the U.S., are intended to institutionalize the two countries' historic relations.

Working Groups meet on a continuous or as-needed basis to deal with functional issues, and provide a framework through which officials from respective Departments and Ministries from both governments can effectively address critical matters as they arise.

For the text of the Saudi-United States Committee for Strategic Dialogue joint statement, please go to:

<http://www.saudiembassy.net/2006News/Statements/StateDetail.asp?cIndex=615>

###

James Gallagher

Subject: Freedom House Editorial

May 22, 2006

CONTACT:

Saudi Information Office

(202) 337-4076

www.saudiembassy.net

Saudi Ambassador Responds to Freedom House Editorial

SHARM EL-SHEIKH, Egypt [May 22, 2006] – *The following statement was issued today by Saudi Ambassador Prince Turki Al-Faisal in response to an editorial by Nina Shea, Director of the Center for Religious Freedom at Freedom House, published in The Washington Post on May 21, 2006:*

The Saudi government has worked diligently during the last five years to overhaul its education system, which includes textbooks, teacher training, and the introduction of new teaching methods. To ensure optimal results, the planning, implementation and assessment of these changes are being conducted with assistance from consulting firms and national governmental and non-governmental educational institutes. All of this has been done in the public setting, with debate and open discourse taking place in National Dialogues, the Kingdom's Consultative Council, and throughout the Ministry of Information. Freedom House neglects to mention these facts.

Overhauling an educational system is a massive undertaking. There are hundreds of books that are being revised to comply with the new requirements, and the process remains ongoing. The report submitted by the Embassy of Saudi Arabia to Congress earlier this year on textbook revision is by no means a final report, and was never presented as such. Again, Freedom House does not mention this fact.

Moreover, the materials used in the Saudi education system are in the public domain, and are provided to students free of charge. These texts can be obtained at schools and other institutions throughout Saudi Arabia, and do need not be "smuggled" or "slipped out" of the Kingdom. As with previous reports, Freedom House continues to exhibit a disregard for presenting an accurate picture of the reality that exists in Saudi Arabia.

The Saudi position on education reform has been clearly articulated by the Kingdom's political and religious leaders. The objective of the educational system is to fight intolerance and to prepare Saudi youth with the skills and knowledge to compete in the global economy.

###

This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

“MY OBSERVATIONS AS AN ARAB IN AMERICA”

**SPEECH DELIVERED BY SAUDI AMBASSADOR TO THE U.S
PRINCE TURKI AL-FAISAL
AT THE ARAB-AMERICAN ANTI-DISCRIMINATION COMMITTEE
26TH ANNUAL CONVENTION
WASHINGTON, DC ON JUNE 17, 2006**

Ladies and Gentlemen: Thank you. Senator Abourezk, thank you for the kind introduction. I appreciate being invited to speak here today. I would also like to thank Ms. Oakar. Under Ms. Oakar's leadership, the ADC has worked hard to protect the rights of Arabs in the United States. This is a mission I support. Through both national and local programs, the ADC helps all Arab Americans have better opportunities to make positive contributions to public life. This is needed not just among Arab Americans, but also in the Arab world, in order to promote a balanced US policy in the Middle East region.

Outreach, education and dialogue are critical to my own mission of helping to build greater understanding between Saudi Arabia and the US. This is especially important during this time when the Arab world is in the spotlight of American and global attention. So I thank you for all your efforts.

While I was invited today as the Saudi ambassador to the United States, I would like to speak to you foremost as an Arab. I am here to convey what I have experienced during my time in your great country. I am here to celebrate the beautiful mosaic that is the Arab world. And I am here to share with you some of my thoughts on the place of the Arab in today's American society.

Part of my work as ambassador during the last several months has been to go out and talk with the American people. I have had the honor of being invited to visit many of your major cities and smaller towns. At each stop, from New York City to Seattle to Phoenix to Nashville, and to Manhattan – in Kansas, I have been overwhelmed by the warmth and hospitality with which I have been received.

Since America is, as they say, a melting pot, I have spoken with Americans of all faiths. I have had conversations with Americans who are of African and Asian and European descent. And I have also been meeting with Americans of Arab descent.

I have made a certain point to visit some of the Arab American communities in the US and I have talked with their leaders. I have been to their homes. I have listened to their issues and concerns. And throughout all my travels, I have come to some conclusions about what I have witnessed.

America is truly a melting pot of different nationalities, ethnicities, religions and ideas. It

is an open system in which each and everyone can thrive and excel. The only limits I have seen are those of one's imagination. It is a nation of great innovation and productivity, grounded in faith and fairness and justice. And while it may stray from its principles from time to time, it always returns to its proper balance.

I see that Arabs have an important place in this great American society. We only have to look at how Arabs for more than a century have built thriving communities all across the country. We can look to Michigan – particularly to Dearborn – where Arab Americans have been integral in the growth of the automotive industry.

I also see that Arab Americans have made valuable contributions in other fields. And America appreciates it. For example, if it were not for Danny Thomas and the American-Lebanese-Syrian associated charities, there would not be a St. Jude's children's research hospital. This center has changed the lives of millions through medical discoveries that treat cancer and other diseases.

For many Americans, Arab-Americans are invisible, recalled only when words like "terrorism" or "anti-American sentiments" arise. However, people of Arab descent have been contributing to US culture since the 1870s in fields as diverse as literature, science, politics, medicine, and commerce—witness surgeon Michael DeBakey, former Oregon Governor Victor Atiyeh, author Khalil Gibran and consumer advocate Ralph Nader.

There is also Dr. Ahmed Zewail, who in 1998 won the King Faisal Prize and in 1999 won the Nobel Prize for chemistry. The director of the jet propulsion laboratory is an Arab, Charles el-Achi. We can even see here at this conference alone, there are some great examples of Arabs who have paved a path for others, like Omar Sharif and Helen Thomas. The contributions Arab Americans have made are extensive.

I also see that individuals in the Arab American community have worked hard to improve their lot. They've struggled—as all immigrants have in this country—to secure a place for their family, faith, and heritage. Since the turn of the last century, Arabs, as individuals, came to the US, found opportunity, and sent back for their family to be schooled or employed. This is the classic American story and many Arab-Americans have successfully shared in this dream.

But though I see all of these accomplishments and all of this good, I also see something else that gives me pause. I see that Arab Americans—as a group—are holding themselves back.

When I go out and speak with Arabs in the US, I sense great frustration—frustration that they are not being heard. The voice of the Arab American community in the US is either being drowned out or not expressed loudly enough. And the needs and the rights of Arabs in America need to be emphasized to a greater extent—in both legislation and in the media.

I also sense anger—anger that the progress Arab Americans have made throughout the

years has been upended by terrorists and deviants who have no values in common with us. The accomplishments of all the Arab Americans were so quickly washed over by the tidal wave of misinformation that followed September 11. Fear and suspicion suddenly replaced appreciation and respect.

And I sense defensiveness—defensiveness because the beliefs, culture, and heritage of Arab Americans are under attack because they are misunderstood. Again, because of terrorism, the already largely misunderstood Arab culture in the US was dealt a hand of prejudice.

I feel that this complex assortment of emotion—frustration, anger, and defensiveness—has been stifling Arab Americans as a group. In many ways these issues are being internalized, hindering a common and united message. They are not being dealt with constructively enough. Instead of coming together and honestly expressing how all Arab Americans are being treated, the community, as a whole, has been quietly coping.

I don't need to explain to any of you that the need for establishing bridges of understanding between Arabs and Americans is more critical than ever. The need actually extends far beyond the shores of this country. It is as necessary to the Arab Americans living here, as it is to the Arabs in the Middle East. We, in the Kingdom of Saudi Arabia, carry a scar that weighs heavily on our shoulders; the scar of the horrible crime committed on September 11, 2001, in which 15 of our nationals participated. We must not allow the criminals who committed that crime to succeed in driving a wedge between Saudi Arabia—or for that matter the Arab world—and the United States.

So if, as the title of this conference suggests, the Arab American community is to build for the future, then we really need to take a good look at what the plan is for building new bridges, enduring bridges—bridges that will span inevitable misunderstanding and unite two peoples—Arabs and Americans—who truly share so much in common.

Ladies and gentlemen: America will return to its proper balance, I have no doubt about that. You just need to be active and patient at the same time; active by speaking out and getting involved; and patient by recognizing that it may take some time for your actions to translate into tangible results.

Based on my experience and what I have heard from Arabs throughout the US, there are areas where, when planning for the future, the Arab American community can help itself. If Arabs are going to secure the understanding they deserve and the respect they desire in this country, then two clear objectives need to be achieved.

First, Arabs need to find their voice in the discourse of American politics. Arabs need to get out there and get involved more. Right now Arab Americans are underrepresented relative to their numbers, their economic status, and their achievements. As an ethnic group with clear importance to American society, too few are heeding the call to action. There are over three million highly successful Americans of Arab descent in the US

today, but only five Arab American members of Congress.

I know Arab Americans want a voice in this country. You've told me so. I have heard it from coast to coast. If Arabs want a greater voice, they must stand up. They must stand up and get involved.

There are signs of progress. In terms of political culture, Arab Americans are on the cusp of breaking through. Although proportionally there is slender representation, there are now more Arab American officials than at any other time in American history—from former presidential Cabinet members to senators to governors.

As citizens, Arab Americans are coalescing too, in such places as Michigan, Minnesota, California, and even Florida. I think the message here is clear: If you are a part of this political system, you should work to find how your voice can be heard.

The other objective that needs to be achieved is that Arab American groups in the US have to come together more. They need to coordinate their resources and capabilities to a greater extent. The Arab world is a diverse world. But it does not have to be a diffuse world. Arabs may be from different backgrounds, have different faiths, but they are all Arab in this country. The issues that affect one affect all: the visa issues, the employment issues, the discrimination issues. These weigh heavily on all Arabs, regardless of faith and original heritage.

Organizations supporting the Arab-American cause need to act together. They need to work together. They need to reach out to one another, if they truly want to serve this community. The goal for each organization is ultimately the same, and they need to recognize this. In doing so, they should also open up their dialogue and listen to each other.

These are practical and concrete steps that will help bring together a group of Americans—Arab Americans—who desire openly that they want more solidarity. They want to be treated with the rights and courtesy extended to every other person who comes to this great nation. That is why I have great confidence. Despite the hardships and difficulty—Arab Americans want to get out there and make a difference.

They want to face down the overwhelmingly negative perceptions that were spread about Arabs after September 11. They want to tell the whole story—beyond the sensationalism of mass media. They want to move past what is politically motivated and to address the facts. And, they want to address the issues, not just the emotions.

Let me share with you what else gives me confidence. I know Americans today possess a greater interest in Arab affairs than ever before. The focus of America's attention is on the Middle East. Perhaps for the first time, there is widespread interest among Americans to look into the issues, to find out who stands for what in the Arab world. There is an opportunity here, and as the Arab proverb tells us: "Dawn does not come twice to awaken

a man.”

It has also become apparent that as Americans and Arabs interact more and learn more about each other, that we are realizing that we have more in common with each other. Despite the cultural differences, we all share a basic belief in faith and family, and a desire for peace and opportunity. Though common, these principles underscore a great deal about how we can connect on many issues.

This opportunity is one that I have been trying to take advantage of. As I mentioned, I have been out talking with Americans, listening to their questions and concerns. I have been sharing my story, and my country’s story. And while I am only one person, my activity is actually a part of a larger effort by Saudi Arabia to engage Americans. We have adopted a strategy that is focused more on people-to-people contact. The Kingdom is encouraging more delegations of officials, and business leaders, and women to come to the United States to share their views but also to learn. We are also encouraging more Americans to come to the Kingdom and learn about us and our culture.

We have revitalized a scholarship program to send our students to colleges throughout the world. Most of our students will be coming to the United States. They will not only be receiving a world-class education, they will be forming the next generation of friendships and bonds between Saudi Arabia, the Arab world, and the United States. They will be representing their culture and their heritage. They, ladies and gentlemen, will be the true ambassadors.

And so as you leave this conference, I implore each of you to continue on in your own right—as ambassadors from the Arab world. Every Arab American has a great story to tell about how they got here, or how their parents or grandparents or great grandparents first came to the United States. And they should be proud of and share these stories.

Whether you are from Palestine, Syria, Lebanon, Saudi Arabia, or any other part of the Arab world, you should be proud of your Arab heritage and legacy—which truly does extend here to the United States. You should be proud of the contributions Arabs have made to the advancement of humanity over the centuries, and to the greatness of American culture and life. And you should be proud of yourselves, for you are the only ones who can bridge the gap between the two great societies. It is not always easy, but it will always be rewarding. And it can’t be done without you.

Speak with your friends and family. Get involved in the political process. Build on the strong foundation that exists and the momentum that is carrying forth. And through this we will be able to build those bridges between America and the Arab world.

Ladies and gentlemen: Ashkurukum shukran jazeelan – thank you all very much – and barak Allah feekum – and God bless you all.

*This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia.
Additional information is available at the Department of Justice, Washington, DC.*

“I THINK WE NEED TO TALK...”

**SPEECH DELIVERED BY SAUDI AMBASSADOR TO THE U.S.
PRINCE TURKI AL-FAISAL
THE BROOKINGS INSTITUTION
WASHINGTON, DC ON JUNE 19, 2006**

Thank you, Ambassador Indyk, for that kind introduction. I am glad to be here today. I should thank Mr. Peter Singer for his work at Brookings dealing with Middle East issues. And I would like to thank Ms. Rabab Fayad for coordinating this event. Thank you.

I noticed on the way over here that in this part of town there is Brookings, the Carnegie Endowment, and the Center for American Progress. If you can't find what suits you, I guess you can simply move down the road. And if you're still not happy, there's a Starbucks around the corner. Of course, there's a Starbucks around every corner.

I would like to thank you again for inviting me to speak here today. I appreciate the opportunity to engage so many thought leaders in this area. You play an important role in American and international politics. Your ideas are considered, and actions are taken based on your assessments of global issues. As Margaret Mead once said, “Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.” I hope today some of my ideas may inspire future actions that will contribute to better international understanding and cooperation.

The theme here today – five years after September 11 – is an important one. It would be an understatement to say that during this time much has changed in the world, because on that day, everything changed in an instant. Much more has happened since. But the transformation we've seen has been less about tearing apart and more about rebuilding.

We all had to begin again, because more than buildings collapsed that day. Relationships, understanding, and security – all fell apart. We had to reexamine who we thought we knew, and our sense of the world around us. Saudi Arabia certainly went through this. One American columnist wrote after 9/11 that Saudi Arabia had gone through a state of shock, then denial, then introspection, and then action. I think this is a fair assessment.

The United States realized that its concerns with the Middle East and the Arab and Islamic worlds can no longer be side issues. Certainly for the Saudi-U.S. relationship, a great deal changed right away. And this is what I would like to talk about today.

Over the past five years, the relationship between our two nations has been severely tested. But we have endured the challenges and we have come very far in that time. It is appropriate to speak about how far we've come, and where we need to go, and,

definitely, some ideas on how we can get there.

To begin, let's look at where the Saudi-U.S. relationship was prior to September 11. Our relationship worked because we had a lot in common. I think, as people, Saudis and Americans genuinely liked each other. We're plain spoken. We believe in faith and family. And over the years, we had formed friendships and business partnerships.

Our relationship was polite. We danced around some issues. And although there were many dimensions to the relationship – including trade and military cooperation – oil was at the center.

The relationship had its ups and downs, as all do. We helped each other where we could. Our mutual efforts to combat the threat of communism throughout the world united us in a common cause – one in which we both prevailed. And together, we stopped Saddam Hussein's aggression and drove him from Kuwait. We were strong military allies, reliable energy partners and good friends.

But, our sensitivities to each other's sensitivities led us to keep things from each other. And criticisms definitely festered beneath the surface on both sides.

After September 11, this relationship, which had lasted in calm for some 60 years, was plunged into crisis. There now existed deep suspicion, mistrust, and misperception. Everything had to be reexamined. It was a horrible period of time. Saudi Arabia, for one, faced brutal criticism. Our country, our faith, and our national character were maligned almost daily in books, newspapers and on television.

If we look at some titles of books from this period – published as works of scholarship – we can recall some of the sentiment of the time. Titles included *Sleeping With the Devil: How Washington Sold Its Soul for Saudi Crude*; *Forbidden Truth: U.S.-Taliban Secret Oil Diplomacy, Saudi Arabia and the Failed Search for bin Laden*; *Hatred's Kingdom: How Saudi Arabia Supports the New Global Terrorism*; and perhaps the most absurd of all, *House of Bush, House of Saud: The Secret Relationship Between the World's Two Most Powerful Dynasties*.

There are plenty more. "Instant experts" – as they are called – came from everywhere. Though few, if any, ever even visited the Kingdom. But by using words like jihad, madrassa, and Wahhabism, they were able to tap into the uncertainty and misunderstanding that haunted our relationship.

Nevertheless, through hard work, and because our nations have leaders who understand the importance of relations between our countries, we're now emerging from this period. The United States and Saudi Arabia have reaffirmed their commitment to each other. We've confirmed that we are allies. And our countries have recognized the importance of why we have stayed together for so long.

We have also recognized that many of the world's major challenges, including the war on

terrorism, stability in the Middle East, and energy security cannot be successfully resolved without both our close commitment and cooperation.

The hallmarks of the relationship are that we keep nothing from one another. We know that we have to confront problems and issues instead of looking past them.

A good example of this was Saudi Arabia's opposition to the U.S. invasion of Iraq in 2003. We were straightforward in expressing our views. But when the invasion began, we knew where we belonged – on the side of the Iraqi people. Since 2003, we have provided humanitarian assistance to the Iraqi people. And Saudi Arabia continues to support efforts to bring about a peaceful and united Iraqi government that represents all of the Iraqi people.

I would say, most importantly though, during our period of reexamination, the U.S. and Saudi Arabia recognized that the relationship is bound by much more than oil. We have a number of important pillars that support our relationship. I can think of five: oil, trade, the war on terrorism, Middle East stability, and military cooperation.

These pillars form our foundation. They define our interaction and provide us with concrete reasons why we are still together. But where do we go from here? How do we continue to improve our relationship? There are still many issues left unresolved. There are still sticking points.

To address the challenges before us and the challenges ahead, the first thing we have done is to put in place stronger links between our two governments and an institutional framework to better manage the many complex issues we have on our common agenda. The clearest example of how this is taking shape is the Saudi-U.S. Strategic Dialogue. This new mechanism is intended to institutionalize relations between our countries to overcome inevitable differences and to align our resources and capabilities to a greater extent. The Strategic Dialogue is progressing through regular meetings between the Saudi Foreign Minister and the US Secretary of State and the establishment of Working Groups from both governments to work constructively and comprehensively, on a continuous basis, in a range of issues of importance to both countries

The first meeting occurred during King Abdullah's visit with President Bush last year in Crawford, and since then Foreign Minister Prince Saud and Secretary of State Rice have met twice for the Strategic Dialogue. The gatherings are open to candid discussion and have taken on a collegial tone. There were also be meetings of the six Working Groups, which include: Energy; Economic and Financial Affairs; Consular Affairs; Cultural Affairs and Human Resources; Military Affairs; and Counterterrorism.

Another thing we are doing to improve relations is to increase our people-to-people contact. For one, the Kingdom is encouraging more delegations of officials, and business leaders, and citizens to come to the United States to share their views and to learn in kind. We have also expanded a scholarship program to send our students to college abroad. Most of our students will be coming to the United States. They will not only be

receiving a world-class education, they will be forming the next generation of friendships and bonds between Saudis and Americans. They will be the true ambassadors.

And yet another thing we can do is develop better relations between Saudi Arabia and the U.S. Congress. This is a priority for me. I have been meeting with members of Congress. I have been working to answer their concerns and questions about the Kingdom, and express to them our concerns and our questions about how we view our relationship with the U.S. There are a lot of issues on this level, as your representatives in both Houses of Congress are some of our toughest critics.

Last November, for example, a month after I officially became ambassador, the Senate Judiciary Committee held a hearing entitled “Saudi Arabia: Friend or Foe.” Frankly, I thought that was a bit insulting to Saudis because we have never been a foe of the United States. On the contrary, in the last 60 years, we have always considered ourselves to be good friends of the U.S., and felt that the U.S. looked upon us as good friends.

I made a point to meet with Senator [Arlen] Specter, who chaired the hearing, and we talked about his concerns. They were mainly about education and religious extremism in Saudi Arabia. I reached out to the senator as a respectful friend. I made sure he knows that I am here and available to him – as is the embassy staff. And in the future, he knows he doesn’t have to search for an interlocutor when he has issues or questions. He can come directly to me for answers.

That is a message I want all members to hear. If you have a concern about Saudi Arabia, come to us. In fact, I would like them to come to us in any case. I would like to see more members coming to the Kingdom. Do you know how many members of Congress have been to Saudi Arabia since September 11? Less than 20.

For a country of such critical importance to American, regional, and global affairs, why have so few American representatives come to the Kingdom? We welcome them. We want them to see our country. We want them to meet our businessmen. We want them to hear from our citizens – our men, our women, and our children. I guarantee if they come to the Kingdom, their outlook on us will be changed for the positive.

This brings me to my last observation on how we can improve our relationship in the future. This last one perhaps affects all of you the most. Because I think the type of discourse between the United States and Saudi Arabia needs to change.

We don’t mind being criticized. There is a well-known saying in Arabic: “Your true friend is one who is honest with you, not one who agrees with you.” But it is the way in which Americans criticize – whether it is politicians or public figures or thought leaders – that causes us concern. We often hear political rhetoric and not constructive commentary.

Americans want to see and hear about reform and change in Saudi society and political culture. This is on the agenda. But we’re not going to change just because you told us to.

We are changing and reforming our society because it is the right thing to do for our country. Making dictums only makes matters more difficult. It hardens all elements of society. So we need your comments to be a constructive addition to our reform efforts, not something that makes the process markedly more difficult.

For all of you here today, why not productively engage us instead of engaging in rhetoric that seems designed to drive us away? Currently, we find the analysis of Saudi Arabia lacking. It does not have a clear and real understanding of what is going on in the Kingdom. It needs to be less revealing of political agenda, for good or for bad. That would be helpful to both sides.

In fact, you too should come and spend time in the Kingdom. We don't mind discussing the difficult issues. We're doing so ourselves. Several years ago, we initiated a National Dialogue, which has covered issues such as extremism, the role of women, and cultural tolerance. King Abdullah has directed that the next National Dialogue focus on educational development in the Kingdom. This is an important topic right now.

Your opinions, your thoughts, and your analysis are not just considered by Americans. They are considered by Saudis, too. And, if we want to improve the state of our relations, it would behoove us to improve every level of our communications. Our interests are too intertwined. If you look at the problems we're facing today – the war on terrorism, Iraq, Iran, Afghanistan, Palestine and Israel, energy – none of these problems can be faced alone. The U.S. cannot deal with these problems without us. And we cannot deal with them without you.

I hope this has provided you with an overview of the Saudi perspective five years later. I now look forward to hearing your perspective. I would be glad to answer any questions you may have.

As we say in Arabic, Ashkurukum shukran jazeelan – thank you all very much – and barak Allah feekum – God bless you all.

This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

**Remarks delivered by Saudi Ambassador to the United States
HRH Prince Turki Al-Faisal
At Florida International University in Miami, Florida on July 13, 2006**

Ladies and gentlemen, thank you for joining me here today. Thank you, Dr. Berkman for the kind introduction. It is a pleasure to be here in Florida. I have received a very warm welcome since arriving.

I greatly appreciate Florida International University for inviting us to their facilities. This is certainly an impressive institution. It not only has the largest school for accounting in this country, F.I.U. also possesses a highly regarded undergraduate program for international business, as well as a highly ranked M.B.A. program. I have also noticed F.I.U. has a long list of prestigious alumni – from two-time Pulitzer Prize winner Liz Balmaseda, to Olympic medal winner Tayna Lawrence.

Perhaps most prominent among the graduates of this university is Congresswoman Ileana Ros-Lehtinen. She has made many great strides for both women and the Hispanic community here in the United States. I am familiar with her work, as she is an important leader in Congress on many issues dealing with the Middle East and U.S. relations with Saudi Arabia. I am hoping to call on her when I get back to Washington.

Indeed, F.I.U. should be proud of all of its achievements, especially for being a relatively young university. You have been around for almost 35 years. You have seen impressive growth during this short period of time.

Coming from Saudi Arabia, I can appreciate F.I.U.'s history and development. Saudi Arabia – comparatively speaking – is a fairly new country. But, in a very short period of time, we've accomplished a lot. We have built a modern nation where once traveled Bedouins across empty desert.

The oil boom years of the 1970s created wealth for Saudi Arabia, and the wealth was used to develop our country. Infant mortality rates dropped significantly, and life-expectancy increased among Saudis. The government put in place a social welfare system that took care of our citizens from the cradle to the grave: free education, free health care, interest-free mortgages for first-time homebuyers, interest-free loans for small businesses, and subsidies for farmers.

Throughout the 1980s, we continued to build our infrastructure – our roads, schools, and cities. In the 1990s, the Kingdom began undertaking significant reforms, including economic reforms, which have made our economy more open and transparent. This has culminated in our accession to the World Trade Organization last year.

Today, the Kingdom is providing its citizens with the training to succeed in the global economy. We have undertaken a multi-year modernization program of our education system, including teacher training and new textbooks and curricula. Through a

scholarship program, we are sending our students to be educated around the globe, where they are receiving a world-class education, making friends, and building new bridges of understanding.

Political reforms are also being implemented to increase citizen participation, such as last year's elections for municipal councils. More elections are planned for the future in order to give our people a more direct say in the decisions that affect them.

All of these changes are significant given the timeframe. What is important to consider is that throughout this short but extensive growth period, Saudi Arabia has remained a pillar of stability.

As the mathematician and philosopher Alfred North Whitehead, once said: "The art of progress is to preserve order amid change and to preserve change amid order." I believe the Kingdom has been able to achieve this. But it has only come as a result of our efforts to actively work for peace and stability – not just within, but beyond our borders.

Of course, our efforts have not been just for ourselves. Over the years, we have served humanity because of our place as the home of the Islamic faith, because of our strategic geopolitical location, because of our energy reserves, and because we are a full, contributing member of the global community.

Perhaps one of the most enduring examples of this was our move to establish a relationship with the United States in the 1950s to combat communism. What began with the construction of the U.S. airbase in Dhahran, which hosted American forces as part of the containment of the former Soviet Union, grew into a partnership to ensure global security and stability. This has included a series of cooperative efforts to address political and military issues in the Middle East, as well as in Africa and South America.

Saudi Arabia stood with the U.S. during the 1950s and 1960s when radicalism in the Arab World threatened to lead a socialist revolution throughout the region.

When the U.S. withdrew from Vietnam, Saudi Arabia stepped in quietly to provide aid to anti-Communist movements in countries that were falling rapidly into the pro-Soviet sphere: Zaire, Somalia, Angola, and Nicaragua. Most importantly, we both supported the Mujahideen in Afghanistan during 1980s, contributing to the end of the Cold War.

Saudi Arabia places great value on our contributions to the defeat of Godless communism. Today, the Kingdom continues to cooperate with its international partners, particularly the United States, for the betterment of humanity. The Kingdom is working towards peace and stability at home, in our region, and around the world.

Currently, there are many challenges out there – economic growth, energy security, the war on terrorism, and Palestinian independence from Israeli occupation, to name a few. Of all the nations in the world, Saudi Arabia and the U.S. are two of the most important when it comes to affecting positive change to the world's most difficult

issues. Indeed, we have come far and done a lot as partners – from fighting communism to fighting terrorism. For our own good and for the good of the world, it is incumbent on our nations to continue to face these challenges together.

But in order for us to do so, we need to maintain understanding between our people and our governments. Saudis and Americans desire the same things from life – peace and prosperity and security. Ensuring an understanding about this has allowed our relationship to flourish for more than 70 years. But we need to continue to foster understanding.

The people of Miami can appreciate this need perhaps better than anyone else. This city is at the virtual crossroads of North, South, and Central America, as well as the Caribbean. You understand the need for tolerance and patience between people and cultures. You understand how people who have very different customs and traditions can work together, because they share the same goals.

With continued understanding, both Saudi Arabia and the United States can achieve new levels of peace and stability throughout the world.

Thank you again for this opportunity, and may peace be upon you.

This material is distributed by the Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC