

DAILY REPORT ON RUSSIA

AND THE FORMER SOVIET REPUBLICS

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RUSSIAN FEDERATION

Politics

Update: Security Service Behind US Attacks

□ New information from a friendly foreign intelligence service has emerged in the FBI investigation of the terrorist attacks in the US on September 11th in New York and Washington. This information supports **Intercon's** speculation that the attacks were planned by a foreign intelligence service, possibly Iraq. *CBS News* reported that the US has received an intelligence report that Mohammed ATTA, a hijacker who piloted the first plane into the World Trade Center, met earlier this year with a member of the Iraqi intelligence service somewhere in Europe. US officials believe the report is accurate. It is the first solid lead that a foreign state may have aided, abetted, and possessed prior knowledge of the horrific attacks against innocent civilians. The complexity of the operation and extensive training and planning lead investigators to believe that other wealthy networks or states supported the terrorist cells. Jane's Security Foreign Report today presents a scenario developed by Israeli's military intelligence service, Aman, which suspects the terrorists attacks were sponsored by Iraq's Intelligence Service (SSO) and directed by Lebanese Imad MUGHNIYEH, head of the special overseas operations for Hizbullah, and Egyptian Dr. Ayman Al ZAWAHIRI, a senior member of Al-Qaeda and possible successor to Saudi-millionaire Osama BIN LADEN. Israeli sources claims that intelligence officers had been shuttled back and forth between Baghdad and Afghanistan for meetings with ZAWAHIRI over the past two years. MUGHNIYEH has also met with some of his dormant agents on secret trips to Germany. Following the US attacks, authorities in Hamburg arrested several gentlemen believed to be connected with the attacks. One Israeli said, "BIN LADEN is a schoolboy in comparison with

MUGHNIYEH. The guy is a genius, someone who refined the art of terrorism to its utmost level... The killing of his two brothers by the Americans only inflamed his strong motivation." The US have put a \$2 million reward on MUGHNIYEH, who is believed to have kidnapped, tortured, and killed head of the CIA in Beirut William BUCKLEY in 1984.

An alternative view was offered by Stephen SHENFIELD, as reported in the David Johnson List. SHENFIELD supports a different scenario, where by Pakistan's military and intelligence service created the Taliban and bears the responsibility for the September 11th attacks. He noted, however, that, "if anti-terrorism is really going to be the top priority, then the West, Russia, and Iran now have a common interest in toppling the Taliban □ and the task can hardly be beyond their combined strength, even without Pakistani cooperation." SHENFIELD warns against going to war against Pakistan among other things because it is a nuclear power. He believes there is, "no alternative to a long-term policy aimed at strengthening the position of anti-Islamist forces within Pakistani society, such as the Pakistan People's Party □ whatever other conflicts of interest the US may have with such forces."

Russia-China To Fight Terrorism

□ Russian President Vladimir PUTIN and China's JIANG Zemin decided Tuesday to work out a "mechanism" between their countries for fighting terrorism. A Kremlin statement said the two presi-

dents, discussed the aftermath of last week's hijacked airliner attacks in the US by telephone and reaffirmed their tough stance against "terrorism in all its forms." The two men spoke of the need to work out international "mechanisms" in conjunction with the UN, its Security Council, and together with other international organizations. "Measures will be undertaken to develop a mechanism for fighting terrorism on a bilateral level," the statement added. It did not indicate what form of cooperation would develop. Russia and China have both condemned the September 11th attacks on New York and Washington, which killed more than 5,000. Russia initially gave its full support to the US to fight terrorism. However, PUTIN and other officials are urging Washington to be cautious in identifying the target of any military retaliation. Russia has been hesitant in offering cooperation in terms of airspace and bases in the former Soviet Republics of Central Asia. China has pledged to join the global coalition, but has not specified how it would help, Reuters reported.

Russian Launches New Sweep Operation

□ Russian military commander in Chechnya Colonel General Valeri BARANOV has confirmed that Chechen rebels shot down a military Mi-8 helicopter with a portable surface-to-air missile, outside of Grozny. The helicopter, on an inspection trip of the rebel region, had on board two generals, eight colonels, and three crewmembers. This appears to be part of the large-scale assault aimed against Gudermes, where many officials in the region's Kremlin-appointed administration are based. Rebels attacked Gudermes with automatic weapons and grenade launchers. Kremlin spokesman Sergei YASTRZHEMBSKY said on Russian television that at least 10 Russian troops died in the gun battle, which lasted for several hours. The Associated Press reported that local residents estimated the number of rebel attackers at 100, but Interior Minister Boris GRYZLOV said about 300 militants were involved. Local residents said the attack began at dawn with rebels surrounding most Russian outposts and administrative buildings in the city and spraying them with gunfire. YASTRZHEMBSKY added that Russian forces responded with aircraft and artillery strikes, as well as sweep operations. One official said such operations were carried out in "practically all residential areas in the republic," to "seek and detain accomplices and members of

rebel groups." Defense Minister Sergei IVANOV last week repeated assertions the rebels were linked to Osama BIN LADEN, the Afghan-based Saudi dissident named by the US as chief suspect in last week's attacks by hijacked airliners on New York City and Washington DC.

Land Reform Bill In Its Third Reading

□ Russia's State Duma on Thursday will give a third reading to a controversial land reform bill. If approved, the bill will bolster President Vladimir PUTIN's reforms by overturning a Soviet-era ban on land sales. The Communist Party vehemently opposes the bill. The Agrarian Party fears the land reform bill would lead to the country being bought up by foreigners and wealthy Russians. The bill was approved by parliament in a second reading in July. The third reading is considered to be largely a formality. The land code, under discussion for seven years in post-Soviet Russia, does not affect farmland, a highly sensitive issue in a country once subject to forced collectivization, Reuters reported. If approved in the third reading, it must then be submitted to the Federation Council and signed into law by PUTIN.

Economy

Ruble = 29.46/\$1.00 (NY rate)

Ruble = 29.44/\$1.00 (CB rate)

Ruble = 27.43/1 euro (CB rate)

Business

Transneft Estimates Oil Pipeline Cost At \$300M

□ *Transneft* President Semyon VAINSHOTK told reporters, at the "Oil And Gas Exports Of Caspian Countries Via Russia" conference today, the construction for the Kharyaga-Usa oil pipeline is estimated to cost more than \$300 million. *Transneft* said it will only begin construction after it receives a project assessment from oil producers and guarantees that the pipeline will operate at full capacity. Additionally, VAINSHOTK announced he would have a meeting with *LUKoil* head Vagit ALEKPEROV to discuss the Kharyaga-Usa pipeline project. VAINSHOTK also announced that *Transneft* plans to form a joint venture, with an unnamed partner, to produce oil in Western Siberia. *Transneft* officials declared several times earlier their intention to begin producing oil themselves, *RosBusinessConsulting* reported.

EUROPEAN REPUBLICS

Ukraine May Open Skies To US Warplanes

□ Ukrainian Parliament's Committee for National Security and Defense Boris ANDRESYUK told the press on Tuesday that Ukraine may permit the use of its skies by warplanes in case of any operations to revenge the terrorist attacks on the World Trade Center and the US Pentagon. He explained, "The international security is such that Ukraine will assist the deserved punishment of terrorists. If the project requires to open the skies, Ukraine will have no problems with that." It should be noted that this decision is the prerogative of the National Security and Defense Council led by Ukrainian President Leonid KUCHMA.

SOUTH CAUCASUS & CENTRAL ASIA

NEWSFLASH

□ **Misha Saakashvili resigned late Wednesday night as Justice Minister to run for the Vake District parliamentary seat.**

Rus-Georgian Terror Accusations Escalate

□ The Russian leadership appears to have identified its first target in its war against international terrorism which is unfolding on a larger scale since the last week's attacks in New York and Washington. This target is Georgia, Russian newspaper Vremya Novostei believes. Georgian-Russian relations have been greatly damaged by the disagreements over the Chechen conflict. On Friday, Russian liberal politician Boris NEMTSOV called on Georgia to open its territory for a military operation against the Chechen terrorists allegedly hiding in the Georgian Pankisi Gorge. The officials in Tbilisi strongly refused saying that Georgia, "will not allow using its territory by military forces of the foreign states." On Monday, however, the Georgian leadership announced that it will provide its military bases for the US troops to make a retaliatory move against Afghanistan. According to a source in the Russian media, the Russian Foreign Ministry believes Georgia is pursuing a double standard in its policy towards terrorism. "Our patience is gone."

Moscow's officials said. On Tuesday, Russia's Foreign Ministry sent an official note to Tbilisi accusing Georgia of cooperating with the terrorists. Moscow stated that "despite numerous calls by Russia," Georgia did not extradite "hundreds of terrorists" suspected of "exploding civilian objects, taking hostages, and showing armed resistance to the government." The note described Pankisi Gorge as "a hiding base for international terrorists," and the Chechen information center in Tbilisi a source of "bandits' supplies." Vremya Novostei stated that the Foreign Ministry's note is an ultimatum, which sounds frightening in lights of the US statements calling for combating not only terrorists but also regimes supporting terrorism.

Officials in Tbilisi deny all the accusations. Vremya Novostei reported today that the Georgian Foreign Ministry did not officially respond to the note but made a comment saying that in a fight against terrorism and military separatism double standards are unacceptable. The comment referred to Moscow's support of separatist regimes in Abkhazia and South Ossetia. In his traditional address to the nation, Georgian President Eduard SHEVARDNADZE said on Monday that Georgia had suffered severely from terrorism, aggressive separatism, and nationalism. Responding on Russia's accusations SHEVARDNADZE said that Moscow has been a safe harbor for Igor GIORGADZE who has been wanted by Interpol for the 1995 assassination attempt against SHEVARDNADZE, Prime News Agency reported on Monday.

Today, Tbilisi responded it is ready to meet Moscow's demands and to extradite Chechen rebels, Agence France Press reported. However, Georgian Ambassador to Russia Zurab ABASHIDZE stated that Russian prosecutors did not provide the required information. "Georgian prosecutors have asked their Russian colleagues several times to provide us with sufficient data to identify the detained," he said. In its turn, Georgia "confirms its readiness to live up to all our international obligations, including" extradition, ABASHIDZE added. Georgia "understands Russian sensitivity toward terrorism," ABASHIDZE said. "We will consider additional measures Russia and Georgia could implement to step up our fight against terrorism," the ambassador stated.

According to Vremya Novostei, the escalation of

the Georgia-Russia conflict will be a litmus test as to how international relations have changed since the attacks against the US. The newspaper speculates that Russia pursues a similar policy towards Georgia as the US towards Afghanistan in terms of terrorism. It demands the extradition of suspects. One Intercon source reported that this evening on Russian television a Russian Army General clearly stated that Georgia is to Russia, as Afghanistan is to the US. Under the new circumstances, Moscow relies on more support from the US. This support will allow Russia to carry out its own anti-terrorism measures. Much will depend on how Washington will react, *Vremya Novostei* concluded.

Georgia To Assist US, If Asked

□ Georgian Defense Minister David TEVZADZE said that Georgia would assist the US in its fight against international terrorism, if asked. The Defense Minister made this announcement on Tuesday, following a meeting with President Eduard SHEVARDNADZE. The Presidential spokesman said, "We have not received any formal request from the United States and there have been no unofficial consultations," Reuters reported. On Friday, Russia's Defense Minister Sergei IVANOV said the republics, which are members of the Commonwealth of Independent States (CIS), would not be used as springboards for military action. Relations with Russia have been strained since SHEVARDNADZE refused Moscow's request to use Georgian territory as a launch pad for attacks against rebels in Chechnya.

Rushailo Sent To CA For Diplomatic Blitz

□ Russian President Vladimir PUTIN has sent Secretary of the Russian Security Council Vladimir RUSHAILO on a Central Asian tour to pool their efforts in the fight against terrorism. Beginning in Kazakhstan, RUSHAILO met with Kazakh Defense Minister Sat TOKPAKBAYEV, Foreign Minister Yerlan IDRISOV, and Chairman of the National Security Council Marat TAJIN. He stressed, "the need to consolidate the efforts and to direct them

not only against BIN LADEN or some individual terrorist grouping, but against terrorism as a whole." The Secretary of the Russian Security Council moved to call an extraordinary meeting of secretaries of the Security Councils of signatories of the Commonwealth of Independent States (CIS) Collective Security Treaty to discuss, "measures to promote the coordination of joint efforts to combat terrorism." He emphasized that whatever action is taken against terrorists it, "must be within the framework of international law." RUSHAILO will also visit Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan. PUTIN has also been contacting the leaders of these nations and the Caucasus states, in the aftermath of the terrorist attacks of September 11th, to coordinate its policy against terrorists.

Uzbek Denies Open Airspace For Attacks

□ Uzbekistan President Islam KARIMOV denied media reports that his country was ready to participate in the US anti-terrorist operation. He made this statement after negotiations with Russian Security Council Secretary Vladimir RUSHAILO in Tashkent today. The President stressed that Uzbekistan had never promised the US permission to use its airspace and territories for retaliatory strikes on Afghanistan, *ORT* television reported.

Russia-Kazakhstan To Hold Joint Exercises

□ Russia and Kazakhstan will conduct joint military exercises of collective security forces in the near future. Secretary of the Russian Security Council Vladimir RUSHAILO declared this after his meeting with Kazakh President Nursultan NAZARBAYEV in Astana today. RUSHAILO stressed the necessity of efficient use of the existing collective security forces. He said that they hadn't discussed the possibility of increasing military divisions of these forces at today's meeting, *ORT* television broadcasts.

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