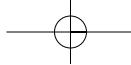




Government Response to the
Intelligence and Security
Committee Inquiry into
Intelligence, Assessments and
Advice prior to the
Terrorist Bombings on Bali
12 October 2002

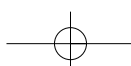
Presented to Parliament by the Prime Minister
by Command of Her Majesty

FEBRUARY 2003



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**GOVERNMENT RESPONSE TO THE
INTELLIGENCE AND SECURITY COMMITTEE
INQUIRY INTO INTELLIGENCE, ASSESSMENTS AND
ADVICE PRIOR TO THE TERRORIST BOMBINGS
ON BALI 12 OCTOBER 2002**

1. The Government is grateful to the Intelligence and Security Committee (ISC) for its review of intelligence, assessments and advice prior to the terrorist bombings on Bali on 12 October 2002. The ISC Report was commissioned by the Foreign Secretary, who wished to be able to reassure Parliament, the public and in particular the families of those killed and injured that no intelligence had been overlooked which could have prevented the terrorist attacks. In his statement to Parliament on 21 October 2002 the Foreign Secretary said: "I do not want the relatives of those who died in this atrocity, nor those injured, to have nagging anxieties about whether different judgements should have been made."
2. The Committee examined all the relevant intelligence reporting and has concluded there was none which directly related to the terrorist attack on Bali. The Government welcomes the conclusion of the Committee that no intelligence was overlooked and that on the available intelligence there was no action that the UK or its allies could have taken to prevent the attacks. It also welcomes the conclusion that sufficient priority was given to the collection of intelligence on terrorism in Indonesia.
3. The ISC has produced a comprehensive Report. The Committee took advice from Ministers, officials in the intelligence Agencies and Foreign and Commonwealth Office (FCO) and spoke to representatives of the travel industry. The Report looks in detail at the work done by both the Security Service and the FCO in assessing threats to British interests and in providing advice to British travellers. The Committee offers a number of conclusions and recommendations. The Government's response is set out in this paper.
4. The terrorist threat faced today is particularly challenging. The groups and individuals involved are ruthless. Arbitrary and indiscriminate attacks are often designed to cause mass casualties. As acknowledged in the ISC Report, the Agencies receive each week hundreds of pieces of intelligence about possible terrorist intentions and activities which require careful interpretation and analysis. The intelligence is often of varying reliability and may be fragmentary. Some is deliberate dis-information by the terrorists. It is rare for reliable intelligence to contain specific information about imminent threats on which action may be taken, such as preventing the attack by disrupting the terrorists, or deterring the attack or its consequences by taking defensive security measures. The collection and assessment work carried out by the experts in the intelligence and security Agencies is of the utmost importance. The Government has full confidence in their work.

5. The ISC report focuses on Bali. But the international terrorist threat is a global one and has to be constantly monitored world-wide. In the period leading up to the Bali bombings there was intelligence that showed threats in a wide range of countries. It tended to indicate that large-scale terrorist attacks were being planned elsewhere than South East Asia. In the week prior to the Bali bombings attacks were carried out in Kuwait and off the Yemeni coast. At the time the Security Service was also heavily engaged in investigating leads to suspected terrorist activity in the UK, in particular in support of the police following a number of arrests carried out by the Anti-Terrorist Branch in the latter half of September. This work continues.

6. Given the current high terrorist threat and volume of reporting, the Government believes it is important to strike a balance between causing alarm to the public and providing it with adequate warning. As the Prime Minister said in his speech to the Lord Mayor's Banquet on 11 November: "If, on the basis of a general warning, we were to shut down all the places that Al-Qaeda might be considering for attack, we would be doing their job for them. The dilemma is reconciling warning people with alarming them; taking preventive measures without destroying normal life."

Judgement of the Threat

7. The Government notes the ISC conclusion that a different judgement could have been reached by the Security Service on the threat level. The ISC Report details the existing specific criteria on which the Security Service bases its assessments of threat levels. In the period preceding the Bali bombings the Service assessed the threat level to general UK interests in Indonesia to be SIGNIFICANT. This meant that the security climate was judged to be such that UK general interests were likely to be a priority target of terrorist activity. The ISC believes that on the basis of intelligence received in the weeks prior to the bombings, and on a failed grenade attack on an American diplomatic residence on 23 September, the Service should have raised the threat level to HIGH. However, as the Committee recognises, difficult and finely balanced judgements have to be made about the follow-up action to intelligence. Security Service experts judged that the intelligence referred to in the ISC report did not provide sufficient grounds to raise the existing threat level to HIGH from SIGNIFICANT which, as noted above, already indicated that UK general interests were likely to be a priority target of terrorist activity.

The Threat Assessment System

8. The Government believes that it is important to prevent any general upward drift in assessed threat levels. In the wake of the events of 11 September 2001, and with the significantly heightened terrorist threat, the Government recognises that, on the basis that nothing can be ruled out, there may be upward pressure on threat levels, even in the

absence of reliable specific intelligence. It is important to maintain a coherent and graduated response to the threat, and avoid devaluing the system of assessments, leading potentially to paralysis and the disruption of normal life in ways which benefit only the terrorist.

9. The Security Service has been responsible for the production of threat assessments in relation to Irish as well as international terrorism for many years. The framework of definition of threat levels has developed to meet the requirements of a range of departments and Agencies responsible for taking action and providing appropriate protective security advice. It has proved useful for assessing domestic terrorist threats as well as threats to UK interests overseas.

10. As the Committee notes, the Security Service's threat assessment system was already under examination before the Bali bombings. This was to ensure that it met the changed circumstances of the terrorist threat and the need to discriminate more clearly between perceived levels of threat given the increasing volume of intelligence which had to be analysed and the fine judgements which had to be made. The Government notes the Committee's recommendations that the system needed modification. The work already underway has been informed by the Committee's findings. As a result of the Security Service review, threat level definitions have been reworked to give greater definition between levels, to make them more informative to customers and to better support the selection of appropriate protective measures.

11. The Government is also continuing to develop the arrangements for handling and disseminating terrorist intelligence. A Counter-Terrorist Analysis Centre, with representatives from other relevant departments, was established by the Security Service in October 2001. With the increasing volume of intelligence, and the need to ensure that the Agencies and customer departments work together to best effect to counter terrorism, the existing structures are being further developed. This work is being fully co-ordinated across Whitehall. Experts from Agencies and departments will be located in an expanded single joint terrorism analysis centre which will have full access to all the relevant material. It will have responsibility, under the Director General of the Security Service, for the detailed and long-term study of the threat as well as the production of immediate assessments of day-to-day developments. The Committee's concern, which the Government shares, that reports should be issued in a timely way, will be a major objective of the new organisation. As part of this work of continually improving the co-ordination of threat advice, the Government is reviewing arrangements to ensure that the public also has the best possible advice about the threat in the UK whilst not compromising intelligence sources, or putting public safety at risk by giving terrorists information which might prove useful to them.

FCO Travel Advice

12. The ISC Report concludes that the FCO Travel Advice did not accurately reflect the threat or recent developments but it was proportional to the then current Security Service assessment. The Report recommends that the whole issue of FCO Travel Advice, its purpose, target audience and presentation needs to be examined by the FCO as a matter of urgency.

13. A thorough review of the policy and mechanisms for Travel Advice has now been undertaken in the FCO and approved by Ministers. The review took account of recommendations made by the Foreign Affairs Committee and the Intelligence and Security Committee; and comments by Members of Parliament, relatives of those who died in the Bali bombings, and other members of the public. The texts of the review have been placed in the library of the House.

14. As a result of this review there has been a comprehensive examination of each of the 209 notices of Travel Advice which the FCO issues to ensure more clarity and consistency. Some are being substantially rewritten, and restructured. The aim is to ensure that the summaries are short and precise, and that there is a specific terrorism paragraph where the situation in a country requires it. A new page, setting out the background to the global terrorist threat and highlighting the wider danger of terrorist attack, has been added to the FCO website. These changes have been introduced after consultation with The Plain English Campaign and Association of British Travel Agents.

15. The Committee drew attention to the importance of ensuring that advice given to travellers was not different from advice given to the British residents in the country concerned. The Government agrees. It has always been government policy that the advice given to residents and travellers must be entirely consistent. On the basis of agreed Travel Advice, posts on occasion contact as many of the British community as possible in a country through the Warden network to brief them personally on important changes of direct relevance to residents rather than travellers. The Warden network involves local British nationals taking informal responsibility for regions in which they are based to pass on messages received from the post, and to feed back to posts local concerns. The network is at its most effective on those occasions when a country is large, or a region is remote, and when a post needs to get advice to British nationals at speed; when, for example, the Foreign Secretary has decided to advise British residents to make arrangements to leave. The FCO has also issued strict instructions to Posts to ensure that any wording issued locally, whether by e-mail or otherwise, is entirely consistent with the FCO Travel Advice.

16. The purpose of Travel Advice is to provide reliable information to British travellers and British residents overseas to allow them to take well informed decisions about their plans. Feedback on the web-based dissemination of Travel Advice indicates it receives

an average of 675,000 page impressions per month. Many regular users arrange to receive automatic updates when Travel Advice changes, using the “automatic update facility”. During working hours advice is offered by telephone and fax. Several organisations receive daily faxed updates from the Travel Advice Unit. Significant changes in Travel Advice are also announced through press statements. Publications such as the Lonely Planet Guides and Rough Guides direct travellers to the FCO Travel Advice website, as do several travel agents. The FCO will continue to ensure that Travel Advice is kept up to date, and is as clear and simple as possible, and remains open to suggestions to encourage more people to check Travel Advice before travelling.

17. Again it is important to strike a balance between warning travellers of threats which are assessed to be credible whilst not causing panic by over-reacting to unsubstantiated pieces of information. The best means of doing this is to provide guidance, based on all available information including reports from the intelligence Agencies and advice from the Security Service.



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