

EPRS Roundtable Discussion: Espionage in Europe throughout the ages

I would like to congratulate and thank the European Parliament Research Service, and Mr. Étienne Deschamps in particular, for organising this event and for allowing me to be surrounded by good friends.

I also want to greet Mrs. Stihler, my dear colleague and Vice-Chair of our IMCO Committee, and Mrs. Akkerman, that honours the European Parliament with her presence, today.

Some people have an idea of espionage clearly influenced by cinema and the 007 movies, in particular. But espionage and spies are not such a glamorous world. It's a world of high level interests and information trade-offs that, sometimes, are carried out on the margins of legality. That's why it is important to count on democratic scrutiny by the parliaments.

And in a digital society there are new ways to collect information and to invade people's privacy.

Also recent news prove us that espionage is not only a trendy issue, but a topical matter with important impacts and consequences in the way countries relate to each other, without any doubt, raises the question: Are citizen's fundamental rights being respected?

We remember for instance:

Skripal: In Salisbury, it is clear that Russia poisoned a former spy. And to talk about this is opening a Pandora box, where we can find names such as Alexander Litvinenko, Anna Politkovskaia, Boris Berezovsky or Natalia Estemirova.

USA Presidential Elections: Today, it is clear that Russia tried to influence the result of the last presidential elections (despite Mr. Trump doesn't want to admit it).

Leakers: The Snowden or the Wikileaks examples shows that we are facing a great level of high level and sophisticated espionage, nowadays

My personal contribution is, obviously related to my work as the Chair of the Temporary Committee on ECHELON. So, let me elaborate on 4 points:

1. What was the ECHELON Affair?

II. What led to the ECHELON Temporary Committee?

III. What have we done ?.

IV. What about now?

I. What was the ECHELON Affair?

It all began when some press revealed the existence a highly sophisticated system for intercepting private and economic communications, the so-called ECHELON. That's why is so important to have freedom of press... !

In the mid 90s It was reported that ECHELON was developed and managed by the states that had signed the UKUSA (United Kingdom-United States of America Agreement) and was characterised by its powers and the range of communications targeted: surveillance was directed against not only military organisations and installations but also governments, international organisations and companies throughout the world. It was clear that telephonic communications (phone calls and faxes, for example) and e-mail messages were being tracked by this system. And worst: The USA were spying not only enemies but even their allies.

ECHELON was not only a strong and sophisticated network at the time. It was truly global. The UKUSA was signed in 1947, after the II World War, for obvious and comprehensible reasons, but after that, Canada, Australia and New Zealand joined the effort. So, with this "five eyes", ECHELON had a global range. It's curious that only on 1999, UKUSA was publicly recognized by a part (Australia), 50 years after it was signed.

It's important to remember that the most important US framework for the management of ECHELON was the NSA, the National Security Agency. The British counterpart of which was GCHQ, the British Communications Headquarters. It was estimated, at the time, that the UKUSA system managed 120 data-collecting satellite systems, 40 of them targeting Western commercial communication satellites. They were really spying on us.

James Woolsey, former Director of CIA, whom we met in Washington, wrote in The Wall Street Journal on 17 March 2000, and I quote "*Yes, my*

continental European friends, we have spied on you. And it's true that we use computers to sort through data by using keywords".

And when we met him personally, he confirmed everything he had written before.

It was clear that the USA used ECHELON to economic espionage and to promote their businesses and companies. As we can read in recent EPRS publications on the matter, the NSA admits that it collects industrial intelligence, using the justification that, often, civilian communications are mixed in with military and political communications, but it has denied conducting a policy of acting specifically in response to the interests of particular companies. However, each country in the UKUSA authorised its services and ministers to plan and receive economic information not gathered by chance, leading an American authority to advocate industrial espionage as an element in the protection of national security. Some examples, extracted from one STOA report, published in 1999:

- in 1993, the Panavia company was targeted over sales to the Middle East;
- in 1994, the NSA intercepted phone calls between Thompson CSF and Brazil concerning a contract for a surveillance system for the Amazonian rain forest; bribery was alleged to have taken place; the contract was eventually awarded to a US company that had cooperated on the ECHELON system;
- There were reports of a similar interception of communications between Airbus, the Saudi national airline and the Saudi Government in 1995: in this case too, the revelation that bribery had taken place was used to get the contract awarded to the US companies Boeing and McDonnell Douglas Corp.
- Reputable sources have also cited occasions when espionage has been used in international negotiations, in particular the interception of communications on emission standards of Japanese vehicles, trade negotiations on the import of Japanese luxury cars, French participation in the GATT trade negotiations in 1993 and the Asian-Pacific Economic Conference (APEC).

In broad terms, this was the ECHELON Affair: the revelation that the USA, using a secret agreement (UKUSA) were spying on civilian and political targets, including european allies. That's why the European Parliament had to address this issue with a Temporary Committee.

II. What led to the ECHELON Temporary Committee?

When the press reports appeared, STOA (the Science and Technology Options Assessment of the European Parliament) addressed the issue in a report: *An Appraisal of Technologies of Political Control*. The most important passage was this: *“The Echelon system forms part of the UKUSA system but unlike many of the electronic spy systems developed during the cold war, Echelon is designed for primarily non-military targets: governments, organisations and businesses in virtually every country. The Echelon system works by indiscriminately intercepting very large quantities of communications and then siphoning out what is valuable using artificial intelligence aids like Memex”*. It was the first time ECHELON was referred in an official document. One year later, another STOA study was published: *Development of Surveillance Technology and Risk of Abuse of Economic Information*. It was clear, at the time, that ECHELON was being used for economic espionage and its activities included the interception of political and civilian communications in Europe.

For several Members of the European Parliament, it was clear that European companies and citizens were victims of industrial espionage and no one knew the dimension or the nature of this acts.

By 30 March 2000, the Parliament discussed the ECHELON Affair and every political group agreed that it was mandatory to obtain clear conclusions on the impact of this industrial espionage. At 13 April 2000, the Conference of Presidents decided to set up the Temporary Committee on the ECHELON surveillance system, that I had the honour to chair.

III. What have We done ?

In the ECHELON Committee, We asked ourselves a lot of questions. Let me underline three of them:

- After the falling of the Berlin wall and the end of the cold war, could the USA switch the use of IT Intelligence Network from military targets to economy spying?
- Could our allies be spying on us, undermining fair trade and honest competition and collecting a huge amount of data targeting innocent citizens, disrespecting all the core values on Privacy and Human Rights?
- Could a member of EU (UK) be an active part on a spy network against other European countries?

And the answer to all these question was yes.

The temporary committee worked hard and well. We had a good team of members, a very good rapporteur, Mr. Gerhard Schmid, who was Vice-President of the EP at the time, an experient staff led by David Lowe and the cooperation of all EP services such as STOA.

The Study has showed us that the Echelon Network (USA, UK, Canada, Australia, New Zealand) were intercepting:

- Telephone calls (including mobiles)
- fax communications
- e-mail messages
- radio communications
- satellite communications
- submarine cables
- optic fibre cables

According to William Sandeman (former Director of NSA and former Deputy-Director of CIA), we know that, in 1992, 26 years ago, ECHELON services were able to intercept 1 million communications each 30 minutes. That means 48 million each day! With the evolution of technology we can only imagine how many communications they can intercept nowadays.

What is happening now it is not different from what we discovered at the time. What has changed is no such more that the advance of technology, the scale of interception and the huge amount of data collected.

Let me share two short stories about our temporary committee on Echelon:

1. USA tried to hide.

On the exactly same day we were departing Brussels on our way to the United States, we received the information that all the scheduled meetings had been cancelled:

- CIA Director
- NSA Director
- State Department
- Senate Select Committee on Intelligence

- Department of Justice
- Fort Meade
- National Intelligence Council Department of Defence
- Secretary for Trade Development
- Advocacy Centre

Meetings scheduled by the Clinton Administration were suddenly cancelled by the new Bush Administration. It was impossible not to conclude that they had a lot to hide...

On such a short notice, already in the States, one of the few meetings we could arrange was in Congress, at the House Permanent Select Committee on Intelligence, with Porter Goss. He was the Chairman of the special Committee assuring the control and overview of Intelligence Services. Curiously some years later the same Porter Goss would be CIA Director.

2. Echelon Report was never published by EP...

... neither the 44 Recommendation approved by the plenary. All the information is available somewhere inside the EP archives and websites. But the EP's Bureau 5 to 5 votes did not allow the Report publication, as it was regularly the procedure at the time. One single and weak explanation: Our report was approved in Strasbourg 5th September 2001 one week before the terrorist attack of 9/11.

I believe in democratic scrutiny of the public administration and in a particular attention for authorities that work on security. That's why I could not accept this status quo and the lack of transparency on publishing such an important document. That's why I have published a book called "Do the Americans spy on Europe?" and it is my pleasure and true honour to speak on these events.

V. What about now?

The ECHELON Affair showed us that in a globalized and interconnected world, exponentially more digitalized, the concept of national interest can be used for the better, but also for the worst. 60 years ago, the bipolarized world demanded the search for information by enemies. Today, the multi-polarized

world puts allies spying on each other. It's in this scenario that we have three major questions, that I want to stress out, to conclude:

- When we have industrial espionage from our allies and traditional espionage from our neighbourhood (Russia), what's the role for the European Intelligence? Do we have space to deepen integration in this matter? At least, to defend ourselves from new threats linked to cybersecurity, a new form of cooperation is mandatory.
- Are the parliamentary control mechanisms sufficient to guarantee the proper democratic scrutiny of Intelligence services?
- How do we preserve the citizens fundamental rights, mainly the right to our data protection, in the age of Internet and when the traditional espionage is becoming unnecessary, with the rise of the cyber trends?

Espionage, throughout the ages, has been a major issue for states, but the challenges that we face today are so important that this debate must be placed in view of the reforms that are needed to guarantee that national interest, rule of law and fundamental rights have a proper balance.

Thank you.