

**PERSPECTIVES ON 9/11: BUILDING EFFECTIVELY
ON HARD LESSONS**

HEARING
BEFORE THE
**SELECT COMMITTEE ON
HOMELAND SECURITY**
HOUSE OF REPRESENTATIVES
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PRESPECTIVES ON 9/11: BUILDING EFFECTIVELY ON HARD LESSONS

Wednesday, September 10, 2003

U.S. HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON HOMELAND SECURITY,
Washington, D.C.

The committee met, pursuant to call, at 2:45 p.m., in Room 345, Cannon House Office Building, Hon. Christopher Cox [chairman of the committee] presiding.

Present: Representatives Cox, Dunn, Smith, Shays, Goss, Camp, King, Linder, Thornberry, Gibbons, Granger, Sessions, Sweeney, Turner, Thompson, Sanchez, Dicks, Harman, Cardin, Slaughter, DeFazio, Lowey, Norton, Lofgren, McCarthy, Jackson-Lee, Pascrell, Christensen, Etheridge, Lucas, Langevin, Meek, Weldon and Diaz-Balart.

Chairman COX. This hearing will come to order. The full Committee on Homeland Security is meeting today to consider perspectives on September 11th, one day before its anniversary. Our hearing is titled "Building Effectively on Hard Lessons." Our witnesses will be Ms. Eleanor Hill, the Staff Director of the Joint Intelligence Committee inquiry, and the Honorable Jim Gilmore, former Governor of Virginia and Chairman of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction.

We will shortly welcome our witnesses after brief opening statements.

I think everyone recognized what a beautiful day it was today in Washington, D.C. in fact, the weatherman, as I drove in this morning, said it was the nicest day that he remembers in our Nation's Capital. Two years ago it was very different. The view across the Potomac, as I evacuated as a Member of the House leadership down 295, was all black over the Pentagon and it appeared in fact that the entire cityscape of Washington, D.C. was aflame in smoke and that our government was threatened as we had witnessed only in featured films.

I don't think we will ever forget, any of us, where we were that day or what went through our minds. And in that sense, 2 years ago was very recent. We can always draw it back. For my part, I spent the morning of September 11th, as it happened, at the Pentagon in the private dining room of the Secretary of Defense, Don Rumsfeld. Paul Wolfowitz was there as well, and we were discussing how important it was for Congress to take a different look at our national security to prepare for unconventional threats, not to fight the old wars of the past but to deal with the future. And

Secretary Rumsfeld told me that day he expected another unexpected event, that that is always what brings America to its attention, and of course his words could not have been any more prophetic. Just minutes later, the Pentagon itself was attacked.

Those catastrophic terrorist events of September 11th that killed thousands of Americans exposed the vulnerability of our own country and the shortcomings of U.S. intelligence services whose mission it is to prevent such attacks.

Today, on this sad anniversary, in the midst of our war on terrorists worldwide, our questions have become more seasoned, or less raw, than they were just 2 years ago.

We are here today to ask what lessons our intelligence services have learned and how they can be applied to protect the American people from another terrorist attack. We ask what went wrong in order to make sure that we now have it right, or nearly so at least. We ask what has been done these last 2 years to make us safe against our new everyday reality that terrorists will always, have us, our children, our homeland, and our way of life in their murderous sights until they and their supporters are eradicated. We must live with that. And we know how much has been done, but today we ask can it be even better.

Many of us were stunned by the coordinated nature of the attacks, which immediately suggested training at a remarkably sophisticated level and elaborate planning on an international scale. We were also stunned by the devastating impact of these attacks. In a little more than an hour and a half on that beautiful, clear, early autumn morning, 19 hijackers successfully converted four heavily fuel-laden commercial aircraft into deadly missiles that destroyed the majestic World Trade Center in New York City. They blew a massive crater into what many thought was the impenetrable Pentagon, and they brutally took the lives of 3,000 innocent people.

That day brought the worst from heartless terrorists and the best in the American people. We still vividly recall the courageous acts of the passengers of United Flight 93 who, responding to Todd Beamer's charge, "Let's roll," attacked the terrorists who commandeered the plane.

We saw first responders, police, firefighters and emergency medical personnel in New York and Washington act with great skill and selfless dedication to protect people, to relieve suffering, and to contain its damage. As we know, many of them—too many of them—lost their own lives in this noble service to others. We have not forgotten them.

As President Bush stated on that awful day, we owe it to these victims and to all Americans to ensure that no such attack will ever occur again on our soil. The President moved quickly to provide our intelligence services with the capabilities they would need to prevent terrorism, and he established, with the leadership of the Congress, the Department of Homeland Security to develop an essential new capability to enhance our security, including promoting the integrity of the critical infrastructure on which we so heavily depend.

We won't know how far we have come without recalling where we began. The Joint Inquiry of the House and Senate Intelligence

Committees recently published its declassified version of its report. The bottom line is that we did not know what we needed to know, and what we did know did not get where it was needed most when it was needed.

The Joint Inquiry produced detailed factual findings as well as a number of systemic findings. We are fortunate to have Eleanor Hill, Staff Director of the Joint Inquiry, here today. She is unequalled in her ability to discuss all aspects of the Inquiry's conclusions, but since we are here to consider our progress in fighting terrorism and securing our homeland over the past 2 years, I want to highlight a half dozen of the Inquiry's systemic findings this afternoon:

First, the CIA's failure to watch list suspected terrorists aggressively.

Second, the CIA's lack of a process designed to protect the homeland from the terrorist threat.

Third, the Intelligence Community's insufficient analytical focus on al Qaeda and the insufficient quality of that analysis, particularly in terms of strategic analysis.

Fourth, the failure of the U.S. Government to bring together in one place all terrorism-related information from all sources.

Fifth, information was not sufficiently shared not only between different Intelligence Community agencies but also within individual agencies. Nor was information sufficiently shared between the Intelligence and Law Enforcement Communities.

Sixth, while technology remains one of this Nation's greatest advantages, it has not been fully and most effectively applied in support of U.S. counterterrorism efforts.

The report makes many additional points, of course, but I have chosen these six because each of them points to a solution the Department of Homeland Security was created to address. The Department of Homeland Security is intended to bring together and focus the efforts of 22 formerly distinct and disparate agencies across the Federal Government. All those agencies and their employees now have a single, shared, and overarching mission of preventing terrorism, protecting our Nation, our people, territory, critical infrastructure, and way of life and preparing to respond to another attack should one occur.

We now talk about State and local governments as partners, not as distant, little known, and inconvenient civic cousins. The private sector and the government now share a mission: to protect the critical infrastructure on which our dynamic economy depends. And more than ever before, we look for the answers to the otherwise intractable problems of maintaining our security to the creativity of our own private sector.

The Department is, in a sense, the hub of the wheel. It holds our entire homeland security enterprise together, focuses it and gives us strength, but we must make it still stronger. We on this committee have from the outset been pressing for full implementation of the Department's statutory mandate. The Homeland Security Act requires that there be an intelligence analytic unit in the Department, entitled by statute to receive, quote, "all reports, including information reports containing intelligence which has not been fully evaluated, assessments, and analytical information relating to

threats of terrorism against the United States.” That appears in section 202.

That the purpose of this is to identify—and now I am again quoting from the statute—“and assess the nature and scope of terrorist threats to the homeland, detect and identify threats of terrorism against the United States, and understand such threats in light of actual and potential vulnerabilities of the homeland.” That is section 201(d)(1).

But what is happening now is that the Department currently is relying upon a nonstatutory construct called the TTIC, the Terrorist Threat Integration Center, to serve the all-source-based analytic function. The Department is merely one of its customers. That—and I believe my colleagues on both sides of the aisle share this view—may be a useful interim approach but it is certainly no part of the Homeland Security Act nor the intent of Congress in passing it.

We must use the hard lessons of 9/11 to look forward. We all can use the factual and systemic findings of the Joint Inquiry’s report as a road map, a basis for asking where we are and whether we are well on the way to where we must go. We think, for example, of two of the 9/11 terrorists slipping in and out of the United States, and, 2 years later, ask do we in fact have a single consolidated watchlist now; and if we don’t, why? And where better to place that responsibility than in the Department of Homeland Security? We consider the report’s finding that there were, quote, “serious problems in information sharing prior to September 11th between the Intelligence Community and relevant nonintelligence community agencies, including other Federal agencies as well as State and local authorities.

We ask 2 years on, has the culture of the Intelligence Community adapted to the information sharing requirements of the post-9/11 world? Is the Department of Homeland Security receiving all the terrorism-related information to which it is entitled, regardless of its source? Is the Department getting that information to those who need it in order to protect us, wherever they are? And this committee will go on, because it is the responsibility of our committee, the Select Committee on Homeland Security, to assist the new Department in developing these capabilities. We will exercise our oversight role constructively and responsibly and effectively, because the security of the American people depend upon it.

I want to welcome again Governor Gilmore and Ms. Hill here today, and I look forward to your testimony.

PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER COX,
CHAIRMAN, HOUSE SELECT COMMITTEE ON HOMELAND SECURITY

The catastrophic terrorist attacks of September 11, 2001, exposed the vulnerability of the American homeland and the shortcomings of US intelligence services whose mission it is to prevent such attacks. Today, on this sad anniversary of the “9/11” attacks, in the midst of our war on terrorists worldwide, our questions have become more seasoned, are now less raw, than they were just two years ago.

We are here today to ask what lessons our intelligence services have learned and how they can be applied to protect the American people from another terrorist attack. We ask what went wrong in order to make sure that we now have it right—or at least nearly so. We ask what has been done these last two years to make us safe against our new everyday reality: that terrorists will always, until they and their supporters are eradicated, have us, our children, our homeland, and our way

of life in their murderous sights. We must live with that. And we know much has been done, but today we ask: can it be even better?

In little more than an hour on that beautiful, clear early autumn morning, nineteen Middle Eastern hijackers successfully converted four heavily fuel laden commercial aircraft into deadly missiles that destroyed the majestic World Trade Center in New York City, that blew a massive crater into what many thought was the impenetrable Pentagon, and that brutally took the lives of 3,000 innocent people. A day that brought out the worst from heartless terrorists also brought out the best in the American people. We still recall vividly the courageous acts of the passengers of United flight 93, who responding to Todd Beamer's charge, "Let's roll," attacked the terrorists who had commandeered the plane. We saw first responders—police, firefighters, and emergency medical personnel—in New York and Washington act with great skill and selfless dedication to protect people, to relieve suffering, and to contain its damage. As we know, many of them—too many of them—lost their own lives in this noble service to others; we have not forgotten them.

As President Bush stated on that awful day, we owe it to these victims and to all Americans to ensure that no such attack will ever occur again on our soil. The President moved quickly to provide our intelligence services with the capabilities they would need to prevent terrorism. And he established with Congress, the Department of Homeland Security to develop an essential, new capability to enhancing our national security, including promoting the integrity of the critical infrastructure on which we so heavily depend.

We won't know how far we've come without recalling where we began. The joint inquiry of the House and Senate intelligence committees recently published its declassified version of its report. The bottom line is we did not know what we needed to know—and what we did know did not get where it was most needed when it was needed.

The joint inquiry produced detailed factual findings, as well as a number of systemic findings. We are fortunate to have Eleanor Hill, staff director of the joint inquiry, here today; she is unequalled in her ability to discuss all aspects of the inquiry's conclusions. But, since we are here to consider our progress in fighting terrorism and securing our homeland over the past two years, I want to highlight a half-dozen of the inquiry's "systemic findings" this afternoon.

1. "The CIA's failure to watchlist suspected terrorists;" [#1]
2. "[T] lack of emphasis on a process designed to protect the homeland from the terrorist threat;" [#1]
3. "Prior to September 11, the Intelligence Community's understanding of al Qu'aida was hampered by insufficient analytic focus and quality, particularly in terms of strategic analysis." [#5]
4. The failure of the U.S. Government to "bring together in one place all terrorism-related information from all sources" [#9]
5. "Information was not sufficiently shared, not only between different Intelligence Community agencies, but also within individual agencies, and between the intelligence and the law enforcement agencies." [#9]
6. "While technology remains one of this nation's greatest advantages, it has not been fully and most effectively applied in support of U.S. counterterrorism efforts." [#4]

The report makes many additional points, of course, but I have chosen these six because each of them points to a solution the Department of Homeland Security was created to address.

The Department of Homeland Security is intended to bring together and focus the efforts of 22 formerly distinct and disparate agencies from across the federal Government. All those agencies and their employees now have a single shared and overarching mission: Prevent terrorism, protect our nation—our people, territory, critical infrastructure, and way of life—and prepare to respond effectively to any attack.

We now talk about State and local governments as partners, not as distant, little known, and inconvenient civic cousins. The private sector and the Government now share a mission—to protect the critical infrastructure on which our dynamic economy depends. And more than ever before, we look for the answers to the otherwise intractable problems of maintaining our security to the creativity of our private sector. The Department is, in a sense, the hub of the wheel. It holds our entire, homeland security enterprise together, focuses it and gives it strength.

But we must make it still stronger. We, on this committee have, from the outset, been pressing for full implementation of the Department's statutory mandate.

The Homeland Security Act requires that there be an analytic unit in the Department entitled, by statute, to receive:

“all reports (including information reports containing intelligence which has not been fully evaluated), assessments, and analytical information relating to threats of terrorism against the United States . . . ,” [sec. 202]

in order to
 “identify and assess the nature and scope of terrorist threats to the homeland; detect and identify threats of terrorism against the United States; and understand such threats in light of actual and potential vulnerabilities of the homeland.” [201(d)(1)]

We have, instead, been hearing that a non-statutory construct called the “TTIC”—the “Terrorist Threat Integration Center”—is going to serve the all-source-based analytic function, with the Department as one of its customers. That—and I believe my colleagues on both sides of the aisle share this view—was certainly no part of the intent of Congress in passing the Homeland Security Act.

But we must use the hard lessons of “9/11” to look forward. And, while we can have mixed views of some of the recommendations of the joint inquiry, we all can use the factual and systemic findings in the joint inquiry’s report as a roadmap—a basis for asking where we are and whether we are well on the way to where we must go.

We think, for example, of two of the 9/11 terrorists slipping in and out of the United States and, two years later, ask: Do we, in fact, have a single, consolidated watch-list now? And if we don’t, why—and where better to place that responsibility than in the Department of Homeland Security?

We consider the Report’s finding that there were “serious problems in information sharing . . . prior to September 11, between the Intelligence Community and relevant non-Intelligence Community agencies,” including other federal agencies as well as state and local authorities? [# 10]. We ask, two years on: Has the culture of the Intelligence Community adapted to the information sharing requirements of the post-9/11 world? Is the Department of Homeland Security receiving all the terrorism related information to which it is entitled, regardless of its source, and is the Department getting that information to those who need it in order to protect us, wherever they are?

I yield now to the distinguished ranking member of this committee, the gentleman from Texas, Mr. Turner, for his opening statement.

Mr. TURNER. Thank you, Mr. Chairman. I know as you opened your remarks discussing the events of your day on September 11th of 2001, everyone here also recalled our own experiences. And it is still hard to comprehend that we lost over 3,000 lives, the largest loss of life in a single day in the history of our country. We all remember those pictures of the Twin Towers, pictures of the Pentagon, the pictures of that gaping hole in the ground in the field in Pennsylvania, and we all remember the determination in the eyes of those firefighters and those rescue workers who went into those infernos to save people they did not know. It truly was a dreadful day in America, and I think we will all recollect that on that day each of us said to ourselves and collectively that never again would we be caught unprepared. Never again would we send some of our bravest citizens, our police, our firefighters, our emergency crews into harm’s way, unable to do the basic things like communicate with one another. We said never again would we allow security gaps to be exploited by those who seek to do us harm.

We have learned a lot over the last 2 years about how vulnerable we are to terrorist acts. Our eyes clearly were opened on September 11th to the malice and the evil and the capability of our enemies, and we also have learned that that threat will not abate.

We have taken important steps over the past 2 years to protect America. The men and women of our armed services and intelligence services have dismantled the Taliban regime and disrupted the senior leadership of al Qaeda. In Congress we have taken

measures to fortify our seaports, our borders, overhaul airport security, provide intelligence and law enforcement agencies with tools they need to track down terrorists here and abroad.

We have also created the new Department of Homeland Security in an effort to make America more secure. We must do all that we can as a committee and as a Congress to ensure that that Department is successful. Yet, we all know that much remains to be done. It is the goal of this committee, a goal that I share with the Chairman and every member, to ensure that America is as secure as it can be. We must accept nothing less.

Today we are doing exactly what we as legislators must do; that is, to learn everything we can about the failures that enabled the attacks to occur 2 years ago, and then to take absolutely every measure possible to prevent it from happening again. This hearing is an important part of achieving that goal.

We will hear from two very distinguished experts today whose experience in how to prevent and prepare for, and, if the worst befalls us, to respond to terrorist attacks have meant much to all of us, and I am pleased to welcome each of our witnesses.

Ms. Eleanor Hill comes highly regarded by both sides of the aisle in directing the enormously challenging work of the Congressional Joint Inquiry into the Terrorist Attacks of September 11. The report of that Inquiry led by our colleagues Porter Goss, Jane Harman—who serves with us on this committee—and minority leader Pelosi propose 19 recommendations to prevent further terrorist attacks. I have read the report and I commend you on the work. And I look forward to the thoughts of our witnesses today on how the report's recommendations have been implemented over the past 8 months and what work remains to be done.

This committee stands ready to work alongside others to make whatever change is necessary to meet the difficult challenge of preventing and responding to terrorist attacks.

Governor Gilmore was studying and advocating for homeland security before it became a household word. He presided over four reports to date as Chairman of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, and we look forward to the fifth report. It is a testament to the value of these reports that the Congress continues to reauthorize your work, Governor. I look forward to hearing your testimony on the findings and recommendations of the Gilmore Commission. Your recommendations have already been incorporated in much of our thinking, and it will be helpful to hear from you to allow you to discuss what government organizational changes needed to be made now and what investments we must make to improve our defenses.

Homeland security is not a partisan issue, it is an American issue, and we all share the same goal: to do all we can to prevent terrorist attacks and to fulfill our constitutional duty to provide for the common defense. Protecting America is the first responsibility of government, and nothing else matters if we fail to achieve that goal.

Thank you, Mr. Chairman.
Chairman COX. Thank the gentleman.
[The information follows:]

PREPARED STATEMENT OF THE HON. JIM TURNER

Tomorrow our nation commemorates the attacks on America that changed the history of our nation and the world. Today, and every day, we honor the memories of those we lost by redoubling our resolve to do all we can to protect America, said Congressman Jim Turner, Ranking Member of the House Select Committee on Homeland Security.

Turner spoke before a meeting of the Committee to discuss the results of the Joint Congressional Inquiry on the Attacks of September 11th.

We remember the horror of the Twin Towers, the Pentagon and the crash in an open field in Pennsylvania. We remember the determination on the faces of the firefighters and workers who entered the fiery inferno in a valiant attempt to save people they did not know.

Never again, we said, would we be caught unprepared. Never again would we send some of our bravest citizens—our police, firefighters and emergency crews—into harm's way unable to communicate with one another. Never again would we allow large gaps in our security that could be exploited by those who seek us harm.

It is our duty to move faster and stronger to protect America. We have been told we are safer than we were on September 11, 2001. But that is not the test we must pass. The question before us is "Are we as safe as we must be to protect the American people?"

Today's hearing is an important step in achieving that goal. We will hear from two experts who have significant experience in understanding how to best prevent, prepare for and respond to terrorist attacks on our nation.

Today, we are doing exactly what we as legislators must do—learn everything we can about the failures that enabled the attacks of two years ago to succeed, and then take absolutely every measure in our power to prevent them from happening again.

That is our solemn vow to the American people.

Chairman COX. The Vice Chairwoman of the full committee, the gentlelady from the State of Washington, Ms. Dunn, is recognized for purposes of an opening statement.

Ms. DUNN. Thank you very much, Mr. Chairman, and I welcome our witnesses today and look forward to what they have to say.

We have come together today, on the eve of the second anniversary of 9/11, determined to honor the lives lost on that horrible day by continuing our discussion about how to best ensure that we don't ever witness another September 11th, 2001.

The President and Congress have shown an unfaltering commitment to this effort. Over \$75 billion have been spent making our airports safer, securing our seaports, protecting our citizens against biological attacks. Everyone recognized that reform was needed to coordinate overgrown Federal agencies so that critical intelligence would no longer fall through the cracks. On March 1st of this year, the Department of Homeland Security came to life, harmonizing the efforts of 22 Federal agencies all sharing a common mission to wage the war on terror here at home.

The Department of Homeland Security's job is no small one. This committee's role is to oversee the Department as it organizes and spends resources to protect every aspect of security on the homefront, and so far we have been successful. There have been no further attacks on United States soil. However, we know from reports issued by experts such as the witnesses who sit before us today, as well as from firsthand knowledge as an oversight committee, that there always is room for more improvement. That is why we have made it a priority to find out what is working well in this effort and what needs to be changed in the first stages before we devote endless amounts of resources.

Like any other Federal Government undertaking, our oversight of DHS includes practicing fiscal responsibility and continuing to

look for the most efficient ways of getting money from Washington, D.C. directly to the people who need it. This committee must and always will be open to constructive discussion about how the homeland security effort can be made more efficient and more effective.

On this day we also recognize how far we have come in securing America against terrorism, whether it be as we enter the airport gate or as we walk our children to the baseball stadium. The permanent safety of the American people is paramount to any other responsibility of the Federal Government, and Congress will continue to demonstrate, through resources appropriated and responsible oversight of the Department charged with carrying out that responsibility, our commitment to this most critical duty.

I look forward to the testimony of our witnesses today, and I yield back.

Chairman COX. I thank the gentlelady.

Chairman COX. The gentleman from the State of Washington, Mr. Dicks, is recognized for purposes of an opening statement.

Mr. DICKS. I don't have an opening statement, Mr. Chairman. I am going to reserve my time for additional questions.

Chairman COX. The gentleman reserves his time, and the Chair reminds all members that in lieu of making a 3-minute opening statement, it is the member's option to add that time to the 5-minute rule for purposes of questioning the witnesses if you so desire.

Next in order of appearance, the Chair would recognize for purposes of an opening statement the gentlelady from California, Ms. Harman, if you wish to make an opening statement.

Ms. HARMAN. Thank you, Mr. Chairman.

Chairman COX. And as you do that, I want to thank you for your role in the preparation of this report. And as I recognize each of the members, including Chairman Goss who serves on this committee, for the purposes of their opening statement, I will do the same. But we are deeply indebted to you for your service on this committee, because it will make our coordinating function work so much better. Thank you for your service there and here.

Ms. HARMAN. Thank you, Mr. Chairman, I appreciate that. I would also note, as Ms. Hill knows, that the Joint Inquiry was the product of 37 members, on a bicameral, bipartisan basis, coming together to slog through the tough issues and to produce something that is not only readable but extremely useful. Ms. Hill had to do the hard work of getting it declassified, and I think it would take too many hours to relate all those wars, but the recommendations are very valuable, as are the recommendations in the four Gilmore reports to date, which I also have here, and the one to come, as are the recommendations in a lot of other reports that are out there, one of which is called the Bremer Commission. That was a commission on which I served, and I just hope we all take advantage of the information out there that highlights problems and directs us to the right fixes.

Let me make one more comment, which is that on the way over here, we all voted on a motion to instruct conferees on the homeland security spending legislation. That vote was 347 to 74. The House can be a bipartisan place, let us remind ourselves. What that instruction motion does is to instruct conferees to take the

highest possible level of funding and also insist on the Markey amendment on screening all cargo carried on passenger aircraft. I am very pleased that we were able to find such a large margin to approve that motion to instruct.

I just have a few brief comments in my remaining minute or so, and the first is that good intelligence now more than ever is the key to security, internationally and domestically. Intelligence is crucial to preventing another deadly terrorist attack on America and to winning the war on terrorism. It is also crucial to persuading our citizens and other nations of the correctness of our policies and actions.

With respect to the events of September 11, no one will ever know what might have happened had more dots been connected between the disparate pieces of information, but we do know now of the systemic failures that caused a breakdown in our intelligence systems, and we are on notice of what it will take to fix those failures. And we haven't yet done enough.

The current instability in Iraq should instruct us that good intelligence is more critical than ever in Iraq, and as the Ranking Member on the House Intelligence Committee, I am absolutely determined to complete our full and unbiased review of what went wrong with prewar intelligence and to make sure we fix the problem, not in the regular order, but immediately.

I see Mr. Gibbons here. He is another member of our committee. We have a bipartisan culture there, and hopefully it will work.

Finally, Mr. Chairman, let me just say to you that this committee has a huge opportunity, not just to make the Department of Homeland Security work, which is a critical assignment, but also to get it right in terms of the strategy that we need to protect the homeland. More Americans will die here if we have another major terrorist attack than will die probably in Iraq or other places around the world. So we are rightly focused here, and I commend you for holding this hearing. Thank you.

Chairman COX. Thank the gentlelady.

Chairman COX. The gentleman from Connecticut.

Mr. SHAYS. I would like to reserve my remarks.

Chairman COX. All right. The Chairman of the Select Committee on Intelligence, the gentleman from Florida, Mr. Goss, to whom this entire committee and the American people as well, I am sure, owe a debt of gratitude for your work in conducting this Joint Inquiry, the gentleman is recognized for purposes of an opening statement.

Mr. GOSS. Thank you, Mr. Chairman. I would like to reserve my time but extend some of that gratitude to Ms. Hill.

Chairman COX. The gentleman from Michigan, the subcommittee Chairman on Infrastructure and Border Protection, Mr. Camp.

Mr. CAMP. I will reserve my time, Mr. Chairman.

PREPARED STATEMENT OF THE HONORABLE DAVE CAMP, CHAIRMAN,
SUBCOMMITTEE ON INFRASTRUCTURE AND BORDER SECURITY

Thank you Mr. Chairman. I would like to make a brief statement and begin by thanking our witnesses, Ms. Eleanor Hill and former Governor Jim Gilmore, for joining us for this important hearing.

September 11th forced our nation to take stock of the international threats and our vulnerabilities to those threats. The Gilmore Commission, the Hart-Rudman

Commission and the Joint Inquiry, along with other government and private sector studies and working groups are providing new ideas and proposals to address the problems identified by the September 11th attacks.

Since the September 11th terrorist attacks, there has been a major shift in focus on and within the Intelligence Community. Although international terrorism has been a major concern for the last decade, the Intelligence Community did not provide a specific warning of the September 11, 2001 attacks. Intelligence agencies face an enormous challenge in acquiring information about the composition, location, capabilities, plans, and ambitions of terrorist groups. Meeting this challenge requires unique and specialized skills.

Counterterrorism requires strong human intelligence, the use of agents to acquire information and, in certain circumstances, to carry out covert actions. The importance of recruitment and training has been highlighted and need continual support and attention from Congress.

Countering terrorism also requires close cooperation between law enforcement and intelligence agencies. While the bureaucratic obstacles that have previously hampered information sharing between different intelligence agencies are being addressed, more work needs to be done, while remaining watchful of civil liberty and privacy protections. The network between federal intelligence agencies and our state and local first responders can be strengthened.

Congress and the Administration created the Department of Homeland Security a little over six months ago and tasked the new agency with the large responsibility of intelligence analysis and evaluation. While, DHS is still organizing and restructuring, Congress has the responsibility to provide a clear framework to guide the unprecedented and uncertain evolution of intelligence sharing and organization. Today's hearing is another step in this oversight process.

I would again like to thank Ms. Hill and Governor Gilmore for their participation and willingness to testify before the Select Committee on Homeland Security. Your past experiences in evaluating and in-depth analyses of the intelligence environment prior to the terrorist attacks are of great value to this Committee.

I yield back my time.

Chairman COX. Let me ask this. Does any member on this side wish to be recognized for purposes of an opening statement?

Does any member on the minority side—oh, I am sorry. Mr. Linder. No. I am sorry. Does any member on the minority side wish to be recognized for purposes of an opening statement?

Mr. Pascrell wishes to be recognized and is recognized for 3 minutes.

Mr. PASCRELL. Thank you, Mr. Chairman.

The anniversary of the terror attacks against our American family looms over us this week, its presence felt in everything we do, but I am glad that, along with the congressional tributes and remembrances, that this committee is focused on specific issues and ideas designed to make Americans safer and more secure from those who wish to bring us suffering and pain.

The victims of September the 11th came from 735 towns and cities in 40 different States, all members of one American family. My district, like so many others, lost wonderful people, brothers and sisters and mothers and fathers, dear friends. Fifty-four people from the Eighth Congressional District died that day, so I take my role on this committee very seriously, as all of you do. And it is with great frustration that we sit here, 2 years after the attacks, with much more still to do. There is still no single database or an integrated list of suspected terrorists for the worldwide use of intelligence officers, Federal, State and local law enforcement, border inspectors and immigration officials. State and local law enforcement officials, at least in my district, currently receive inadequate levels of information from the Federal Government. And there is still no threat vulnerability assessment. Yet, we are spending money, perhaps much of it being misused.

These are things that must be completed. One could argue that all other items on the agenda should not have been up for discussion until we took care of these national security needs earlier. So before us today are two distinguished professional people who have given up large portions of their lives to study homeland security. I appreciate their willingness to be before us today.

In the report, Mr. Chairman, on page 5 in the Executive Summary, we talk about the Intelligence Community failed to capitalize on both the individual and collective significance. And I take issue with that, because the Intelligence Committee really is a reflection of those in Washington who determine foreign policy for this Nation. And it would seem to me that if we are going to direct criticism at that Intelligence Committee, we ought to be a lot more careful in examining the very foreign policy which created and precipitated terror throughout this country and continues to do throughout this world.

A foreign policy to a point should not be color-blind, culturally blind, or spiritually blind. And if it is, we must understand what the consequences may be. What in foreign policy stimulated perhaps and precipitated terror? What in our foreign policy continues to do that? And I mean this for both political parties.

Which leads me to a final point, Mr. Chairman, if I may.

Chairman COX. The gentleman's time has expired.

Mr. PASCRELL. I make a suggestion to this committee that we change what we look like. And my suggestion today through the Chair, and not for discussion but hopefully would be considered, that this committee which is statutorily—which statutorily exists, fashion itself after the Ethics Committee, which is the only other committee that I know of in the Congress of the United States which is split 50–50 where we have co-chairmanships. If the issue of protecting our children and our grandchildren and our neighborhoods is so significant—and I believe it is, and all of us here think that it is—then this committee should be absolutely bipartisan and we should have shared chairmanships in order to move on. This is a disservice to the majority and a disservice to the minority where we move more political than in the public's interest, Mr. Chairman, and I ask that this be taken under consideration at a proper time.

Chairman COX. I appreciate the gentleman's suggestion. The gentleman's time is expired.

Chairman COX. Does any other member on the minority side seek to be recognized? The gentlelady from New York, Mrs. Lowey, is recognized for 3 minutes.

Mrs. LOWEY. Thank you, Mr. Chairman. I would like to join you in welcoming our witnesses, and we look forward to your testimony.

Tomorrow many of us will return home to commemorate September 11th in our communities, and as I meet with my constituents, with first responders and doctors, school superintendents and parents, those families and that day are always in our minds.

Today we will discuss opportunities and challenges to increase homeland security, but we must remember the people we represent, and on Sept. 11th as today, our communities depend first and foremost on firefighters and police to protect them and to help them in times of crisis. And I believe it is the responsibility of this

Congress to make sure that local communities are prepared to prevent or respond to an attack.

So as we look through this material, we always have to keep our local communities in mind. And with this hearing, I hope we have time to address intelligence as it relates to local communities. It is extremely important that first responders be integrated into our national intelligence network, and this has been discussed at previous meetings, but with the information I have to date, it has not been done effectively.

So as far as I am concerned, it is important that they can also contribute to intelligence gathering, prevention and response to an attack in ways that are both smart and effective. They must be able to communicate quickly with Federal, State, and other local officials in order to have a clear understanding of the situation and to react in the best and fastest possible way.

And there are many lessons, as we know, that we learned about September 11th. Let's have no doubt that one of the most important one centers on people; within the buildings and cities targeted on September 11th were people from all over the world. Our community, the idea of America, was attacked. We are here today to make our country better prepared, and to do that we must make sure that our communities are better prepared.

So I want to thank the witnesses once again for joining us, and I will save the balance of my time for questions. Thank you.

Chairman COX. Thank the gentlelady.

Chairman COX. Who seeks recognition?

Ms. SLAUGHTER. Mr. Chairman, I have an opening statement, but in the interest of time I would ask unanimous consent to just insert it in the record.

Chairman COX. By all means. Without objection, so ordered.

[The information follows:]

PREPARED STATEMENT OF THE HONORABLE LOUISE McINTOSH SLAUGHTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

With this anniversary, we remember one of the greatest tragedies in our nation's history. We commemorate the three thousand innocent lives that were lost when terrorists murdered in the name of hate. We pay tribute to the bravery and courage displayed by the first responders who served in New York City, at the Pentagon and in Pennsylvania. We pray for the families who lost loved ones on that terrible day.

From the calamity emerged strength, hope and an outpouring of charity that could happen only in America. All Americans came together to support each other and aid victims. In my district, thousands opened their hearts to help the harmed. Without a second thought, dozens of firefighters, paramedics and other first responders rushed to New York City. Ordinary citizens got in their cars and drove for hours to offer their help.

Businesses and citizens gave whatever they could. Wegman's Food Markets literally sent tons of food and supplies to New York City. LaRocca's restaurant in Rochester opened up on their day off and gave all their profits to the Red Cross. Mitchell Green, a 5-year-old from Rochester, raised \$50 for the Red Cross by selling American flags he printed out. Hundreds of other children in Western New York collected pennies, washed cars or sold lemonade to raise money for victims.

Acts like these helped our nation to emerge stronger and more full of pride than ever before. We stand unified in the war against terror and the battle to protect/maintain America's freedom.

Eternal vigilance is the price of liberty. Even as we pause to remember so must we move forward. Duty obliges us to prepare, prevent, and protect. This committee and this Congress must remain ever vigilant in our ongoing efforts to secure this great nation. Thank you for taking the time to appear before us today and share the results of your hard work.

Chairman COX. The gentlelady from—oh, I am sorry, Mr. Etheridge.

Mr. ETHERIDGE. Thank you, Mr. Chairman. I ask—

Chairman COX. Mr. Etheridge is recognized for 5 minutes for purposes of an opening statement.

Mr. ETHERIDGE. I ask unanimous consent that the balance of my statement be included in the record.

Chairman COX. Without objection.

Mr. ETHERIDGE. I have a brief opening statement.

Let me welcome our witnesses today, and like all Americans I will never forget the experience of 9/11 and where I was. We were having our annual meeting of roughly 200 business people from North Carolina who were here in Washington that day, and they were in a seminar at the time that a plane crashed into the World Trade Center. I remember seeing with my own eyes the smoke pouring out of the Pentagon as we walked out of the building to evacuate it. And I will never forget the sight of that proud building, which represents so much of our Nation's strength, charred and wounded. Among all of us there was fear for our own situation and grief for those that we had lost, but there was an underlying defiance that we would never be cowered.

Since then, Congress has made great strides in our efforts to protect our Nation. Last year we passed a Homeland Security Act which established the Department of Homeland Security. This year saw the formation of this Select Committee on Homeland Security which has been charged with the oversight of that newly created Department.

However, my service on this committee has given me the opportunity here in all of the evolution of the Department and meet with many first responders, as my colleague first talked about, and we need to do more in this area. We aren't doing as much as we need to. I am afraid that our progress is slowing, and other events are drawing attention away from the critical need to secure our Nation from terrorist threats.

Ms. Hill has appropriately pointed out that the administration has not learned the right lessons from the al Qaeda terrorists. The American people deserve to know that the leaders of the Federal Government are taking all appropriate actions to protect them from harm, and this administration's effort has been inadequate thus far.

Recent news reports as well of the two distinguished witnesses today clearly indicate the need to make the Select Committee on Homeland Security permanent, and clarifies jurisdiction and oversight function. And I would trust the leadership of this House would move forward and ensure that this body will be permanent and empower the committee to carry out its necessary functions.

I will reserve the balance of my time and insert the balance in the record, Mr. Chairman.

Chairman COX. I thank the gentleman.

[The information follows:]

PREPARED STATEMENT OF THE HON. BOB ETHERIDGE

Thank you, Chairman Cox and Ranking Member Turner, for giving members of the Homeland Security Committee the opportunity to speak about our experiences

on 9/11 and share some thoughts on the progress our nation has made in the areas of domestic security.

Like all Americans, I will never forget my experiences on 9/11. We were in the middle of our annual Washington meeting with members of North Carolina's business community. There were about 200 people from across North Carolina in a seminar with us, when we learned that a plane had crashed into the World Trade Center.

I remember seeing with my own eyes the smoke pouring out of the Pentagon. I will never forget the sight of that proud building, which represents so much of our nation's strength, charred and wounded. Among all of us, there was fear for our own situation and grief for those who had been lost, but there was an underlying defiance that we would not be cowered.

Since then Congress has made great strides in its effort to protect our nation. Last year we passed the Homeland Security Act which established the Department of Homeland Security. This year saw the formation of the Select Committee on Homeland Security, which was charged with oversight of the newly created Department. It is an honor to join so many other distinguished members of the House and to serve under the solid leadership of Chairman Cox and Ranking Member Turner.

However, my service on this Committee has given me the opportunity to hear a follow the evolution of the Department of Homeland Security and meet with first responders from all over my state. I'm afraid that our progress is slowing, and other events are drawing attention away from the critical need to secure our nation from terrorist threats.

Ms. Hill has appropriately pointed out that the Administration still has not learned the right lessons about the Al Qaida terrorists. The American people deserve to know that the leaders of the federal government are taking all appropriate actions to protect them from harm, and this Administration's effort has been inadequate at best.

Recent news reports, as well as the reports of the two distinguished witnesses today clearly indicate the need to make the Select Committee on Homeland Security permanent and clarify its jurisdictional and oversight functions once and for all.

Unfortunately, the Republican leadership in the House has failed to provide the assurance that this body will permanently empower the Committee to carry out these necessary functions.

On Sunday the President indicated that terrorists continue to threaten our nation, so we must put aside our differences and give this committee the authority it needs to provide effective oversight of the Department of Homeland Security's critical functions.

I also want to take this opportunity to mention the need for our leaders to recognize the danger terrorists pose to our nation's agricultural system and food supply. A bioterror attack could have devastating and far-reaching consequences on our nation's economy. Although people would not lose their lives, the impact on the agricultural and transportation systems could bring our economy to its knees, and it is already crouching now.

Agriculture is hugely important to North Carolina and this nation, and I want this committee to conduct a field hearing in my district to hear from folks on the front lines of what could be one of our most vulnerable soft targets for terrorist attack.

Finally, I would like to close by thanking our witnesses for their testimony here today, and to remember the victims, and heroes of that tragic day two years ago.

Chairman COX. The gentlelady from the District of Columbia, Delegate Eleanor Holmes Norton, is recognized for purposes of an opening statement for 3 minutes.

Ms. NORTON. Thank you, Mr. Chairman. I too want to welcome today's witnesses and look forward to clarifications from them in light of their most important reports.

9/11 is likely to be for this generation what the assassination of President Kennedy was for my generation. That is to say, the event by which other events will be measured, the event that makes you ask where were you on that date. But I know where I was: with three school children and three teachers who went down in that plane in the Pentagon along with a significant number of other D.C. residents, the school children and the teachers who were being rewarded for good marks and for service to their schools.

Of course today we are told that we should direct ourselves to the threat against our homeland in Iraq. Maybe so. But this committee is going to be held accountable for vulnerabilities to the homeland right under our nose. That is why the two reports are so important.

I want to raise two issues right under our noses, not in a far-away land, that concern me and that are simply representative, I think, of the plethora of outstanding issues: the absence of clear intelligence priorities based on threats and vulnerabilities. What am I to do when the security chief at Union Station comes to see me and says that there is nothing that has been done about security in the train system? The station is the center of the commuter train travel across boundaries. He talks about tracks, passengers, cargo. How am I to assess whether that—whether we are where we should be in that regard, with no sense of what the priorities in homeland security are in the first place? I can't tell him, well, we are going to get to that. I can't tell him that is happening. This is the kind of problem that I think that—and he comes to see me in part because I am a member of the Homeland Security Committee.

Or, let's take charter service. It is down in this region. But generally it is a part of airline service. We haven't even gotten to that yet. When are we going to get to it? Where does it stand in the priorities?

Or, you look at television, and somebody says that there is construction and an airport is wide open. Very different from if you happen to be an employee at the airport. How am I to measure whether that is good or bad if there are no priorities that exist that I can point to that I know we are getting to or we have gotten there?

Finally, let me say a word about watchlists. If you happen to represent the Nation's Capital, you live here and you know that 2 years after 9/11 there still isn't any database of suspected terrorists from around the world, you really don't feel safer than you did on 9/11. I don't want to oversimplify this, but we are not asking that all the terrorists in the world be identified, just that they be put in one place on the same list, and that local and State officials have access to them. I know this is more than pushing a button or doing a computer run, but it does seem to me that 2 years later, one list somewhere where local law enforcement officers or people at ports of entry can go to is not too much to ask.

Those are representative of the kind of tasks, issues, that I think need to be raised here this afternoon. And I thank you, Mr. Chairman.

Chairman COX. Thank the gentlelady.

Chairman COX. Does any other member seek recognition?

Mr. Langevin.

Mr. LANGEVIN. Mr. Chairman, I ask unanimous consent to—

Chairman COX. Mr. Langevin is recognized for 3 minutes for purposes of an opening statement.

Mr. LANGEVIN. Could I just ask unanimous consent to insert my statement into the record?

Chairman COX. All members are advised that the record will be left open for the balance of the week, until the close of business on Friday, for purposes of additions to the record. Without objection.

Chairman COX. Does any other member seek recognition? If not, I invite our witnesses to the table. And while our witnesses are taking their seats, I want to thank all of the members of this committee—Mr. Goss, Ms. Harman, Mr. Boehlert, Mr. Gibbons—who served on the Joint Inquiry for your work in getting us to this point. We look very much forward, Governor Gilmore, Ms. Hill, to your testimony today.

Normally we ask that witness statements be limited to 5 minutes, but by prior arrangement with the committee, Ms. Hill, your testimony is going to be summarized in something more like 7 to 8 minutes. Take the time that you think is necessary for that purpose, because this is an important topic.

Welcome.

STATEMENT OF ELEANOR HILL, STAFF DIRECTOR, JOINT INTELLIGENCE COMMITTEE INQUIRY

Ms. HILL. Thank you, Mr. Chairman. I have—
Chairman COX. We need your microphone.

Ms. HILL. Thank you. I have a long written statement which I would like to offer to be included for the record, but I am going to try to briefly summarize it.

Part of the hazards of writing a report that is 800 pages and is full of facts is that it is very difficult to summarize that in a few minutes, but I think I can do that.

So with that preface, good afternoon, Chairman Cox, Ranking Member Turner, and members of the committee. I appreciate your invitation to discuss with you the final report of the Joint Inquiry by the House and Senate Intelligence Committees which, as you know, focused on the activities of the Intelligence Community as they related to the terrorist attacks of September 11th and, as such, is clearly relevant to your focus on homeland security.

Several members of this committee, as you know—Mr. Goss, Ms. Harman, Mr. Boehlert and Mr. Gibbons—also served on our Joint Inquiry. They have considerable familiarity with these issues, and I am sure they will prove tremendously helpful to you as this committee considers how to best apply the lessons of September 11 to the challenges of homeland security.

Our unclassified version of the Joint Inquiry's report was released on July 24th, 2003, and it numbers over 800 pages in length. That report was the culmination of a tremendous and I believe unprecedented amount of joint work and joint effort by two permanent congressional committees, which included review of 500,000 pages of relevant documents, investigative interviews and discussions with over 600 individuals, testimony and evidence produced at 13 closed sessions of the two committees, and 9 public hearings and nearly 7 months of difficult and often frustrating declassification negotiations with the Intelligence Community.

From the outset, the inquiry faced considerable, even daunting challenges: a huge amount of investigative work in a limited time frame, undertaken by two House and Senate committees with a single nonpartisan investigative staff, during a period of unquestioned national crisis, emotional upheaval, and open skepticism about the effectiveness and the objectivity of a congressional review. Given all those circumstances, any chance of success would

have been impossible absent strong, steady, and committed leadership at the helm.

In the House we were very fortunate to have Chairman Goss and Ranking Member Pelosi, and, in the Senate, Chairman Graham and Vice Chairman Shelby. I cannot tell you how important their support and their constant determination to work together was to our ability to uncover the facts and to achieve bipartisan consensus on recommendations.

Let me just say a few words about Chairman Goss, who is a member of your committee and is here this afternoon, and with whom I have had the very great pleasure and privilege of working throughout the course of this Joint Inquiry. Much of the Inquiry's success can be and should be credited to his very hard work, his unflagging support, and his strong commitment to follow the facts thoroughly and objectively throughout the entire effort. In short, he made my job far easier, and I thank him again for his help and support.

With that, let me skip over some of this and focus on three of the repeated themes that I think run through the systemic findings. My statement goes into much more detail as to the factual systemic findings and also the recommendations.

The report does have 16, what we term systemic findings, which identify and explain systemic weaknesses that the committees felt hindered the Intelligence Community's counterterrorism efforts prior to September 11th. Many of those findings relate in whole or in part to three problem areas that, at least in my view, are critically important and repeatedly surface throughout the course of the Inquiry. Those three are a lack of access to relevant information, a lack of adequate focus on the terrorist threat to the domestic United States, and a lack of sufficient quality in both analytic and investigative efforts.

On the topic of access, even the best intelligence will prove worthless if our Intelligence Community is unable to deliver that intelligence to those who need it in time for them to act on it. The report finds that within the community, agencies did not adequately share relevant counterterrorism information for a host of reasons, including differences in missions, legal authorities, and agency cultures.

Serious problems in information sharing also persisted between Intelligence Community agencies and other Federal agencies as well as State and local authorities. The report contains numerous examples of these problems. The information on al-Midhar and al-Hazmi's travel to the United States, despite numerous opportunities, never reached the San Diego FBI in time for them to capitalize on their informant's contacts with the two hijackers.

Prior to September 11th, the Phoenix electronic communication was not shared with the FBI agents handling Zacarias Moussaoui or with the FBI agent whose informant knew that al-Hazmi was taking flight training in Arizona which, of course, was part of the subject of of the Phoenix memo.

The Phoenix memo was also not shared even with the FAA. The FAA also did not receive all of the intelligence reporting on the possible use of aircraft as weapons. The CIA also did not provide the State Department with almost 1,500 terrorism-related intelligence

reports until after September 11th. Other nonintelligence Federal agencies as well as State and local authorities complained about their lack of access to relevant intelligence. Even Intelligence Community analysts complained about their inability to have access to raw but highly relevant intelligence information held within other Intelligence Community agencies.

Lack of focus. Even in instances where relevant information was available, there was a lack of sufficient focus on the bin Laden threat to the domestic United States.

The report concludes that the U.S. foreign intelligence agencies paid inadequate attention to the potential for a domestic attack, and that, at home, counterterrorism efforts suffered from the lack of an effective domestic intelligence capability.

Again, examples are plentiful in the report. While the DCI had declared war on bin Laden in December of 1998, the Director of the National Security Agency at the time told the Inquiry that he believed, quote, "The DCI was speaking for CIA only." The report found that prior to September 11th neither the FBI nor NSA focused on the importance of identifying and then ensuring coverage of communications between the United States and suspected terrorist facilities abroad. And the report goes on to state that, in fact, we now know that one of the hijackers did communicate with a known terrorist facility in the Middle East while he was living in the United States.

Former Secretary of Defense John Hame told the Inquiry that he could not recall ever seeing an intelligence report on the existence of terrorist sleeper cells in the United States. He noted, "We thought we were dealing in important things, but we missed the domestic threat from international terrorism."

Former National Coordinator for Counterterrorism, Richard Clark, stated that when he visited FBI field offices to increase their focus on al Qaeda, quote, "I got sort of blank looks of what is al Qaeda." The FBI counterterrorism agent responsible for the informant that had contacts with the hijackers told the Inquiry he never discussed bin Laden or al Qaeda with that informant before September 11th, because that was, quote, "not an issue in terms of my assignments."

The former chief of the Counterterrorist Center's bin Laden unit testified that between 1996 and 1999, "the rest of the CIA and the Intelligence Community looked on our efforts as eccentric and at times fanatic."

Finally, lack of quality. The report cites quality problems in two critically important areas: analysis and investigation. In analysis, the report concludes that there was a dearth of creative, aggressive analysis targeting bin Laden and a persistent inability to comprehend the collective significance of individual pieces of intelligence. There was little or no analytic focus on, for example, reports about terrorist interests in aircraft as weapons and reports on the likelihood that Khalid Shaikh Mohammed was recruiting individuals for terrorist activity within the United States.

The former FBI Assistant Director for Counterterrorism, quote, "could not recall any instance where the FBI headquarters' Terrorism Analytic Unit produced an actual product that helped out."

Richard Clark testified that the FBI, quote, “never provided analysis to us even when we asked for it, and I don’t think that throughout that 10-year period we had any analytical capability of what was going on in this country.”

In investigations, the report concluded that the FBI was unable to identify and monitor effectively the extent of activity by al Qaeda and other international terrorist groups operating in the United States. While in the United States, a number of hijackers successfully eluded FBI detection despite their interaction with subjects of FBI counterterrorism investigations. Even after the CIA watch-listed al-Midhar and al-Hazmi on August 23, 2001, there was less than an all-out investigative effort to locate what amounted to two bin Laden associated terrorists in the United States during a period when the terrorist threat level had escalated to a peak level.

While the Inquiry found, in its own review of CIA and FBI documents, information suggesting specific sources of foreign support for some of the hijackers while they were in the United States, CIA and FBI officials were unable to definitively address the extent or the nature of such support despite the serious national security implications of that information. The FBI Director acknowledged that it was the Joint Inquiry’s report that brought some of these facts, which were found in CIA and FBI documents, to his attention.

The Inquiry referred this material to the FBI and CIA for further investigation, and the report notes that only recently and in part due to the Inquiry’s focus on the issue did the CIA and FBI strengthen efforts in those areas.

In closing, let me underscore the importance of the thought conveyed by the title of today’s hearing, “Perspectives on 9/11: Building Effectively on Hard Lessons.” Those of us associated with the Joint Inquiry are convinced that there is indeed much to be learned from the story of September 11th, both for the Intelligence Community and for our Nation. The lessons are hard, they are bitter, and they are tragic, but the importance of their message is undeniable. They are our clearest road back to a far safer and brighter future for all Americans. The Joint Inquiry’s report can, I believe, serve as an excellent road map for that journey.

Thank you, Mr. Chairman. I will be, obviously, glad to answer any questions.

Chairman COX. Thank you, Ms. Hill.

[The statement of Ms. Hill follows:]

PREPARED STATEMENT OF MS. ELEANOR HILL

Good afternoon, Chairman Cox, Ranking Member Turner, and Members of the Committee. I very much appreciate your invitation to discuss with you the Final Report of the Joint Inquiry by the House and Senate Intelligence Committees. That Inquiry focused on the activities of the Intelligence Community as they related to the terrorist attacks of September 11th, 2001 and, as such, is clearly relevant to this Committee’s focus on homeland security. Several Members of this Committee—Mr. Goss, Ms. Harman, Mr. Boehlert, and Mr. Gibbons—also served on the Joint Inquiry. Their considerable familiarity with these issues will also, I am sure, prove tremendously helpful as this Committee considers how to best apply the lessons of September 11th to the challenges of homeland security.

As you know, on July 24, 2003, an unclassified version of the Joint Inquiry’s Report, numbering over 800 pages in length, was publicly released. That Report was the culmination of a tremendous, and unprecedented, amount of joint work and joint effort by two permanent Congressional Committees, including: the review of 500,000

pages of relevant documents; investigative interviews and discussions with over 600 individuals; testimony and evidence produced at 13 closed sessions and 9 public hearings; and nearly seven months of difficult and often frustrating declassification negotiations with the Intelligence Community. I served as the Joint Inquiry's staff director and, as a result, this report, and the investigation and hearings on which it is based, consumed most of my focus and my life for the last year. It was, in all respects, an intense and extraordinary experience for me. I am, in short, grateful and glad to have been a part of the Committees' historic and bipartisan effort to move the country forward, in a constructive manner, from the trauma of September 11th.

From the outset, the Inquiry faced considerable, even daunting, challenges: a huge amount of investigative work in a limited timeframe, undertaken by two House and Senate Committees with a single nonpartisan investigative staff, during a period of unquestioned national crisis, emotional upheaval, and open skepticism about the effectiveness and objectivity of a Congressional review. Given all those circumstances, any chance for success would have been impossible absent strong, steady, and committed leadership at the helm: - in the House, we were fortunate to have Chairman Goss and Ranking Member Pelosi, and, in the Senate, Chairman Graham and Vice Chairman Shelby. I cannot tell you how important their support and their determination to work together was to our ability to uncover the facts and to achieve bipartisan consensus on recommendations of substance for needed reform. Let me say just a few words about Chairman Goss, who also serves on this Committee, and with whom I have had the great pleasure and privilege of working throughout the course of the Joint Inquiry. Much of the Inquiry's success can be credited to his hard work, his unflinching support, and his strong commitment to "follow the facts" thoroughly and objectively throughout the entire effort. In short, he made my job far easier and I thank him again for his help and his support.

Let me now turn to the unclassified version of the Joint Inquiry's Report, which is the focus of today's hearing. As I mentioned, the Report is quite lengthy and sets forth numerous findings and recommendations, along with a considerable amount of supporting discussion and factual detail. My testimony is intended to highlight, as you requested, some of the Report's central themes and some, but not necessarily all, of the findings and recommendations. For a more complete picture, I encourage the Members of this Committee to read the findings, discussion, and recommendations sections of the Report.

Taken together, those findings and recommendations reflect, to a large degree, the Joint Inquiry's three principal goals:

- Determine what the Intelligence Community knew or should have known prior to September 11th, regarding the international terrorist threat to the United States, including the scope and nature of any possible terrorist attacks against the United States and its interests;
- Identify any systemic problems that may have impeded the Intelligence Community's ability to discover and prevent the September 11th attacks in advance; and
- Make recommendations for reform to correct those problems and thus improve the Intelligence Community's ability to prevent similar attacks in the future.

Factual Findings

The Report begins with a series of "factual findings", which speak to the question of what the Intelligence Community did or did not know, or should have known, prior to September 11th, 2001, regarding the attacks. Supported by discussions of specific facts, documents, and testimony compiled by the Inquiry, these findings include:

- While the Community had amassed a great deal of valuable intelligence regarding Usama Bin Ladin and his terrorist activities, none of it identified the time, place and specific nature of the September 11th attacks. While there was no single "smoking gun", the Report confirms that the Community had various other information that was both relevant and significant;
- During the spring and summer of 2001, the Intelligence Community experienced a significant increase in the information indicating that Bin Ladin intended to strike United States interests in the very near future. The National Security Agency (NSA), for example, reported at least 33 communications indicating a possible, imminent terrorist attack in 2001. Senior U.S. Government officials were advised by the Intelligence Community on June 28 and July 10, 2001, for example, that the attacks were expected to "have dramatic consequences on governments or cause major casualties" and that "[a]ttack preparations have been made." An August 2001 Assessment by the DCI's Counterterrorist Center (CTC) reported: "for every UBL operative that we stop, an estimated 50 operatives slip through our loose net undetected. Based on recent arrest, it is clear that UBL is building up a worldwide infrastruc-

ture which will allow him to launch multiple and simultaneous attacks with little or no warning". Some Community personnel described the 2001 increase in threat reporting as unprecedented;

- Beginning in 1998 and continuing into the summer of 2001, the Intelligence Community received a modest, but relatively steady stream of reporting that indicated the possibility of terrorist attacks within the United States. A 1998 intelligence report, for example, suggested "UBL is planning attacks in the U.S. [————] says plans are to attack in NY and Washington. Information mentions an attack in Washington probably against public places. UBL probably places a high priority on conducting attacks in the U.S. ...CIA has little information on UBL operatives in the U.S." In August 2001, a closely held intelligence report for senior government officials advised that al-Qa'ida members had resided in or traveled to the United States for years and maintained a support structure here. The same report included, among other things, FBI judgments about patterns of activity consistent with hijackings or other forms of attacks as well as information acquired in May 2001 that indicated a group of Bin Ladin supporters was planning attacks in the United States with explosives. Nonetheless, the predominant Community view, during the spring and summer of 2001, was that the threatened Bin Ladin attacks would occur overseas. The FBI's Executive Assistant Director for Counterterrorism, for example, testified that, in 2001, he thought there was a "98 percent" chance that the attack would be overseas;

- From at least 1994, the Community had received information indicating that terrorists were contemplating, among other means of attack, the use of aircraft as weapons. In 1998, for example, information was received about a Bin Ladin operation that would involve flying an explosive-laden aircraft into a U.S. airport and, in summer 2001, about a plot to bomb a U.S. embassy from an airplane or crash an airplane into it. There was also information suggesting Bin Ladin's interest in targeting civil aviation within the United States. In 1998, for example, intelligence information indicated that "...member of UBL was planning operations against U.S. targets. Plans to hijack U.S. aircraft proceeding well. Two individuals [————] had successfully evaded checkpoints in a dry run at a NY airport." This kind of information did not, however, stimulate any specific Intelligence Community assessment of, or collective U.S. government reaction to, the possible use of aircraft as weapons in a terrorist attack;

- Although, prior to September 11th, relevant information that is significant in retrospect regarding the attacks was available to the Intelligence Community, the Community failed to focus on that information and to appreciate its collective significance in terms of a probable terrorist attack. As a result, the Report concludes that the Community missed opportunities to disrupt the September 11th plot by denying entry to or detaining would-be hijackers; to at least try to unravel the plot through surveillance and other investigative work within the United States, and to generate a heightened state of alert and thus harden the homeland against attack. The Report details the information which the Community failed to capitalize on, including:

- information, which lay dormant within the Community for as long as 18 months, that two Bin Ladin associated terrorists would likely travel to the United States. The two were Khalid al-Mihdhar and Nawaf al-Hazmi, who would ultimately be among the hijackers that crashed American Flight 77 into the Pentagon on September 11th. Although the CIA knew in January 2000 of al-Mihdhar's likely travel to the United States and in March 2000 of travel to the United States by al-Hazmi, the CIA missed repeated opportunities to act on this information and did not watch list those individuals until August 23, 2001. Despite providing the FBI with other, less critical information about the Malaysia meeting of al-Qa'ida associates attended by the hijackers, the CIA did not advise the FBI of their travel to the U.S. until August 23, 2001. The DCI acknowledged in his testimony that CIA personnel "did not recognize the implications of the information about al-Hazmi and al-Mihdhar that they had in their files". A CIA analyst told the Inquiry that he did not tell New York FBI agents, whom he met with in June 2001, about al-Mihdhar's and al-Hazmi's travel to the United States, because the information "did not mean anything" to him, since he was interested in terrorist connections to Yemen;

- during the summer of 2000, a longtime FBI counterterrorism informant had numerous contacts with hijackers al-Mihdhar and al-Hazmi, while they were living in San Diego, California. The same FBI informant apparently had more limited contact with a third hijacker, Hani Hanjour, in December 2000. The San Diego FBI office, which handled the informant, did not receive, prior to September 11th, any of the intelligence information on al-Mihdhar or al-Hazmi that the CIA had as early as January 2000 and that FBI headquarters had in August 2001. The FBI agent responsible for the informant testified that, had he had such information, he would

have canvassed sources, found the hijackers, and “given them the full court press?” in terms of investigation and surveillance. He believes he could have uncovered the hijackers’ future plans through investigative work. The Report concludes that “the informant’s contacts with the hijackers, had they been capitalized on, would have given the San Diego FBI field office perhaps the Intelligence Community’s best chance to unravel the September 11th plot;

- information indicating, prior to September 11th, the existence of an al-Qa’ida support network inside the United States. Consistent with that information, the Report illustrates not only the reliance of at least some of the hijackers on the potential support network, but also the ease with which they operated despite the FBI’s pre-September 11th domestic coverage. While former National Security Advisor Sandy Berger testified that the FBI had advised policymakers that “al-Qa’ida had limited capacity to operate in the United States and [that] any presence here was under [FBI] surveillance”, the Report confirms that at least some of the hijackers operated well within the scope of the FBI’s coverage of radical Islamic extremists within the United States and yet completely eluded FBI detection. Several hijackers, including Hani Hanjour, Mohammed Atta, Marwan al-Shehhi, Nawaf al-Hazmi, and Khalid al-Mihdhar may have had contact with a total of 14 people who had come to the FBI’s attention during counterterrorism or counterintelligence investigations prior to September 11, 2001. Four of those fourteen were the subjects of active FBI investigations during the time the hijackers were in the United States. In one of those cases, the FBI closed the investigation despite the individual’s contacts with other subjects of counterterrorism investigations and despite reports concerning the individual’s ties to suspect organizations. In another case, the FBI closed its investigation of one of the hijackers’ contacts during a phone interview, after the individual said it would be a “strain” to travel to Los Angeles for a personal interview and declined to give the FBI his home address;

- the July 2001 “Phoenix Electronic Communication”, in which an FBI agent expressed concerns that there was a coordinated effort underway by Bin Ladin to send students to the United States for civil aviation training. In the EC, the agent expressed his suspicion that this was an effort to establish a cadre of individuals in civil aviation who would conduct future terrorist activity. Despite the high threat level in the summer of 2001, this communication generated almost no interest at FBI headquarters or at the FBI’s New York field office. In fact, one of the individuals named in the Phoenix EC was arrested in 2002 at an al-Qa’ida safehouse in Pakistan with Abu Zubaida. The Report concludes that the Phoenix EC, produced by an FBI field agent rather than a “seasoned” Intelligence Community analyst, was the best example of the creative, imaginative and aggressive analysis of relevant intelligence that this review has found;

- the investigation and arrest, in August 2001, of Zacarias Moussaoui, whom Minneapolis FBI agents suspected was involved in a hijacking plot, possibly involving “a larger conspiracy” to seize control of an airplane. At the time, CIA stations were advised that Moussaoui was a “suspect airline suicide attacker” “who might be involved in a larger plot to target airlines traveling from Europe to the U.S.” The FBI agents investigating Moussaoui knew nothing about the Phoenix Communication or al-Mihdhar and al-Hazmi. The FBI agent who wrote the Phoenix Communication had never heard about Moussaoui or the two future hijackers. Neither FBI headquarters nor the DCI’s Counterterrorist Center (CTC) linked the information about Moussaoui to the elevated threat warnings in the summer of 2001, to the Phoenix Communication’s suspicions about Bin Ladin’s interest in civil aviation training or to information available on August 23, 2001, that two Bin Ladin operatives had entered the United States; and

- information linking Khalid Shaykh Mohammed (KSM), now believed to be the mastermind of the September 11th attacks, to Bin Ladin, to terrorist plans to use aircraft as weapons, and to terrorist activity in the United States. CIA documents in June 2001 indicated that KSM “was recruiting persons to travel to the United States and engage in planning terrorist-related activity here. [—————], these persons would be ‘expected to establish contact with individuals already living there.’” The documents also noted that KSM “continued to travel frequently to the United States, including as recently as May 2001”. The Report concludes that this information did not “mobilize” the Community and that the “Community devoted few analytic or operational resources to tracking KSM or understanding his activities. Coordination within the Community was irregular at best, and the little information that was shared was usually forgotten or dismissed.” His role in the September 11th attacks was a “surprise” to the Community and the CIA and FBI were unable to confirm whether he had in fact been traveling to the United States in the months before September 11th.

Systemic Findings

The Report also includes sixteen “systemic findings” which identify and explain those systemic weaknesses that hindered the Intelligence Community’s counterterrorism efforts prior to September 11th. Some of these findings address specific shortcomings in various aspects of Intelligence Community counterterrorist efforts, such as the inability of the Community to develop and use human sources to penetrate the al-Qa’ida inner circle; the Community’s excessive reliance on foreign liaison services; difficulties with FBI applications for Foreign Intelligence Surveillance Act (FISA) surveillance; a reluctance to develop and implement new technical capabilities aggressively; a shortage of language specialists and language-qualified field officers and backlogs in materials awaiting translations; and a reluctance to track terrorist funding and close down terrorist financial support networks. Many of the systemic findings relate, in whole or in part, to three problem areas that, in my view, are critically important and repeatedly surfaced throughout the course of the Inquiry: a lack of access to relevant information; a lack of adequate focus on the terrorist threat to the domestic United States; and a lack of sufficient quality in both analytic and investigative efforts.

Lack of Access

Even the best intelligence will prove worthless if our Intelligence Community is unable to deliver that intelligence to those who need it in time for them to act on it. The Report finds that within the Intelligence Community, agencies did not adequately share relevant counterterrorism information for a host of reasons, including differences in missions, legal authorities, and agency cultures. Serious problems in information sharing also persisted between Intelligence Community agencies and other federal agencies as well as state and local authorities. Unquestionably, this breakdown in communication deprived those other entities, as well as the Intelligence Community, of access to potentially valuable information in the “war” against Bin Ladin.

The Report contains numerous examples of these problems. The information on al-Mihdhar and al-Hazmi’s travel to the United States, despite numerous opportunities, never reached the San Diego FBI in time for them to capitalize on their informant’s contacts with the two hijackers. Ironically, the CIA employee who, in January 2000, briefed FBI personnel about al-Mihdhar, but not about his visa and potential travel to the United States, told the Inquiry that his assignment, at the time, was to fix problems “in communicating between the CIA and the FBI”. The FBI agent responsible for the informant, in his testimony, candidly described information sharing problems between the FBI and CIA: “If I had to rate it on a ten-point scale, I’d give them a 2 or 1.5 in terms of sharing information....Normally,...you have some information you want the Agency to check on. You end up writing it up, sending it back through electronic communications or teletype,...or memo...And then the Bureau, FBI headquarters, runs it across the street to the Agency. And then, maybe six months, eight months, a year later, you might get some sort of response.”

Prior to September 11th, the Phoenix EC was not shared with the FBI agents handling Zacarias Moussaoui, or with the FBI agent whose informant knew that al-Hazmi was taking flight training in Arizona, or even with the FAA. In fact, FAA officials first learned of the Phoenix EC from the Joint Inquiry in early 2002. The FAA also did not receive all of the intelligence reporting on the possible use of aircraft as terrorist weapons. Beyond the failure to watchlist al-Mihdhar and al-Hazmi, the CIA also did not provide the State Department with almost 1500 terrorism-related intelligence reports until after September 11, 2001. Other non-intelligence federal agencies as well as state and local authorities complained about their lack of access to relevant intelligence information. Even Intelligence community analysts complained about their inability to have access to raw, but highly relevant, intelligence information held within other intelligence community agencies.

Lack of Focus

Even in instances where relevant information was available, there was a lack of sufficient focus on the Bin Ladin threat to the domestic United States. The Report concludes that the U.S. foreign intelligence agencies paid inadequate attention to the potential for a domestic attack and that, at home, the counterterrorism effort suffered from the lack of an effective domestic intelligence capability. The Report found gaps between NSA’s coverage of foreign communications and the FBI’s coverage of domestic communications that suggested a lack of sufficient attention to the domestic threat. There was no comprehensive counterterrorist strategy for combating the threat posed by Bin Ladin and the Director of Central Intelligence (DCI) was “either unwilling or unable to marshal the full range of Intelligence Community resources to combat the growing threat to the United States.”

Again, examples are plentiful in the Report. While the DCI had declared “war” on Bin Ladin in December 1998, insisting that no resources be spared in the effort, the Director of the National Security Agency at the time told the Inquiry that he believed “the DCI was speaking for CIA only”. The Report found that, prior to September 11th, neither the FBI nor the NSA focused on the importance of identifying and then ensuring coverage of communications between the United States and suspected terrorist facilities abroad. The Inquiry determined that one of the hijackers did communicate with a known terrorist facility in the Middle East while he was living in the United States. The Intelligence Community did not, however, identify the domestic origin of those communications before September 11th, so that additional FBI investigative efforts could be coordinated. There was, in short, insufficient focus on what many would have thought was among the most critically important kinds of terrorist-related communications, at least in terms of protecting the Homeland.

Former Secretary of Defense John Hamre told the Inquiry that “he could not recall ever seeing an intelligence report on the existence of terrorist sleeper cells in the United States” and noted “we thought we were dealing in important things, but we missed the domestic threat from international terrorism”. Former National Coordinator for Counterterrorism Richard Clarke stated that when he visited FBI field offices to increase their focus on al-Qa’ida, “I got sort of blank looks of ‘what is al-Qa’ida’ ” The FBI counterterrorism agent responsible for the informant that had contacts with the hijackers said he did not discuss Bin Ladin or al-Qa’ida with the informant before September 11th because that was “not an issue in terms of my assignments”. The former chief of the Counterterrorist Center’s Bin Ladin Unit testified that between 1996 and 1999 “the rest of the CIA and the Intelligence Community looked on our efforts as eccentric and, at times, fanatic”.

Lack of Quality

The Report cites quality problems in two critically important areas, analysis and investigation. In analysis, the Inquiry found quality was inconsistent, and many analysts were “inexperienced, unqualified, under-trained, and without access to critical information.” The Report concludes that there was “a dearth of creative, aggressive analysis targeting Bin Ladin and a persistent inability to comprehend the collective significance of individual pieces of intelligence”. There was little or no analytic focus on, for example, reports about terrorist interest in aircraft as weapons and the likelihood that Khalid Shaykh Mohammed was recruiting individuals for terrorist activity within the United States. The former FBI Assistant Director for Counterterrorism “could not recall any instance where the FBI Headquarters terrorism analytical unit produced ‘an actual product that helped out’ ”. Richard Clarke testified that the FBI “never provided analysis to us, even when we asked for it, and I don’t think that throughout that 10-year period we had an analytical capability of what was going on in this country.”

In investigations, the Report concluded that “the FBI was unable to identify and monitor effectively the extent of activity by al-Qa’ida and other international terrorist groups operating in the United States.” While in the United States, a number of hijackers successfully eluded FBI detection despite their interaction with subjects of FBI counterterrorism investigations. Even after the CIA watchlisted al-Mihdhar and al-Hazmi on August 23, 2001, there was less than an all-out investigative effort to locate what amounted to two Bin Ladin-associated terrorists in the United States during a period when the terrorist threat level had escalated to a peak level. In conducting that search, the FBI never sought relevant information from FBI counterterrorism sources, including the California informant, or from relevant databases held by other federal agencies. Representatives of those agencies testified that, had the FBI done so, they believe they might have been able to locate the two hijackers using those agencies’ databases.

While the Inquiry found, in its review of CIA and FBI documents, information suggesting specific sources of foreign support for some of the September 11 hijackers while they were in the United States, CIA and FBI officials were unable to definitively address the extent or nature of such support. Despite the serious national security implications of the information, the FBI Director acknowledged that it was the Joint Inquiry’s work that brought some of these facts, found in CIA and FBI documents, to his attention. The Inquiry referred this material to the FBI and CIA for further investigation and the Report notes that only recently, and in part due to the Inquiry’s focus on this issue, did the CIA and FBI strengthen efforts in this area.

Related Findings

Finally, the Report includes three “related findings”, at least two of which appear directly relevant to this Committee’s focus on homeland security. These findings ad-

dress issues that, while not entirely within the scope or control of the Intelligence Community, impacted the Community's counterterrorism efforts before September 11th. They are:

- Despite intelligence reporting that Bin Ladin's terrorist network intended to strike within the United States, the United States Government did not undertake a comprehensive effort to implement defensive measures in the United States;
- Between 1996 and 2001, the counterterrorism strategy adopted by the U.S. government did not succeed in eliminating Afghanistan as a sanctuary and training ground for Bin Ladin's terrorist network; and
- Prior to September 11th, U.S. counterterrorism efforts operated largely without the benefit of an alert, mobilized and committed American public. The assumption prevailed in the U.S. government that attacks of the magnitude of September 11th could not happen here and, as a result, there was insufficient effort to alert the American public to the reality and the gravity of the threat.

Recommendations

The Report also looks beyond the mistakes of the past to the future, and the need to strengthen our ability to combat the international terrorist threat that still faces this nation. Noting that "the cataclysmic events of September 11th provide a unique and compelling mandate for strong leadership and constructive change", the Committees agreed on nineteen recommendations for reform which are set forth in the Report. Among other things, the recommendations propose:

- the creation of a statutory, Cabinet level, Director of National Intelligence (DNI), vested with the full range of management, budgetary, and personnel responsibilities needed to make the entire Intelligence Community operate as a coherent whole. No person could serve as both the DNI and the DCI or head of any other intelligence agency;
- the establishment and enforcement of clear, consistent and current priorities throughout the Intelligence Community and an annual review and update of those priorities;
- preparation of a U.S. government wide strategy for combating terrorism for approval by the President;
- creation of a National Intelligence Officer for Terrorism on the National Intelligence Council;
- full development within the Department of Homeland Security of an effective all-source terrorism information fusion center, with full and timely access to all counterterrorism-related intelligence information, including "raw" supporting data, as needed. This fusion center is intended to "dramatically improve the focus and quality of counterterrorism analysis and facilitate the timely dissemination of relevant intelligence information, both within and beyond the boundaries of the Intelligence Community";
- implementation, at the FBI, of numerous specific improvements in its domestic intelligence capability, with a report to the President and the Congress on the FBI's progress on implementing those reforms;
- prompt consideration by the Intelligence and Judiciary Committees of the Congress, in consultation with the Administration, of the question of whether the FBI should continue to perform the domestic intelligence function or whether legislation is necessary to create a new agency to perform these functions;
- actions by the Attorney General and the Director of the FBI and reviews by the Intelligence and Judiciary Committees of the Congress to ensure the fuller and more effective use of FISA authorities to assess the threat of international terrorists within the United States;
- implementation of specific measures to greatly enhance the development of a workforce with the intelligence expertise needed for success in counterterrorism, including expanded training programs; greater development of language capabilities; the use of personnel and expertise from outside the Community as needs arise; expansion of educational grant programs focused on intelligence-related fields; and consideration of legislation, modeled on the Goldwater-Nichols Act of 1986, to instill the concept of "jointness" throughout the Intelligence Community;
- reviews by the President and the Congress of the authorities that govern the national security classification of intelligence information, in an effort to expand access to relevant information for federal agencies outside the Intelligence Community, for state and local authorities, and for the American public. The Committees believe that Congress should consider the degree to which excessive classification has been used in the past and the extent to which the emerging threat environment has greatly increased the need for real-time sharing of sensitive information;

- implementation, by the DCI and heads of the Intelligence Community agencies, of measures designed to ensure accountability throughout the Intelligence Community;

- reviews by the relevant agency Inspectors General of the Inquiry record to determine whether and to what extent personnel at all levels should be held accountable regarding the identification, prevention, or disruption of the September 11th attacks;

- the full development of a national watchlist center responsible for coordinating and integrating all watchlist systems and ensuring a comprehensive flow of terrorist names into the center from all points of collection; and

- aggressive action by the FBI and CIA to address the possibility that foreign governments are providing support to or are involved in terrorist activity targeting the United States and U.S. interests and vigorous and continuing oversight of those efforts by the House and Senate Intelligence Committees. The FBI and CIA should "aggressively and thoroughly pursue" related matters developed through the Inquiry that have been referred to them for further investigation by the Committees.

While these recommendations do not have the force of law, Senators Graham, Rockefeller, and Feinstein recently introduced legislation in the Senate intended to statutorily implement the Report's recommendations. In the House, I understand that the Intelligence Committee is actively addressing those aspects of the recommendations that pertain to the Intelligence Community through hearings, continuing oversight of the intelligence agencies, and provisions in the Intelligence Authorization bill. Even absent legislation, there are indications that other efforts are underway to implement reform in at least some of the areas addressed by the recommendations. FBI Director Mueller, for example, has said that the FBI is addressing the need for internal reform in the areas identified by the recommendations. The President, as you know, announced the creation of the Terrorist Threat Integration Center (TTIC) as a way of achieving greater sharing and better analysis of counterterrorism intelligence. At least some of the relevant agency Inspectors General are conducting accountability reviews, as recommended by the Committees. Absent more detailed information about the scope and nature of these efforts, I cannot say to what extent they reflect the specific actions called for in the recommendations.

In closing, let me underscore the importance of the thought conveyed by the title of today's hearing, "Perspectives on 9/11—Building Effectively on Hard Lessons". Those of us associated with the Joint Inquiry are convinced that there is indeed much to be learned from the story of September 11th, both for the Intelligence Community and for our Nation. The lessons are hard, they are bitter, and they are tragic, but the importance of their message is undeniable: they are our clearest road back to a far safer and brighter future for all Americans. The Joint Inquiry's Report can, I believe, serve as an excellent roadmap for that journey.

Chairman COX. Governor Gilmore. We have also received your written statement, and you are invited to summarize your testimony as you see fit.

STATEMENT OF THE HONORABLE JIM GILMORE, FORMER GOVERNOR OF VIRGINIA AND CHAIRMAN, ADVISORY PANEL TO ASSESS DOMESTIC RESPONSE CAPABILITIES FOR TERRORISM INVOLVING WEAPONS OF MASS DESTRUCTION

Mr. GILMORE. Mr. Chairman, thank you very much. Mr. Chairman, Congressman Turner, distinguished Congressmen and women of this committee and of the House, thank you for the opportunity to appear here with you today, and I request that my more extensive statement be put into the record, Mr. Chairman.

This Commission is your advisory panel. This advisory panel was established by the Congress of the United States, Senate and the House, in 1999, or 1998 I believe was the public law that established this Commission. It is your official advisory panel on domestic response capability involving terrorism and weapons of mass destruction.

By your statute, we have reported each year on December the 15th since 1999. I was approached in 1999, after the passage of the

law and the establishment of the Commission, to chair the Commission by the previous administration's Department of Defense and National Security Council.

The Commission was set up not of your standard people out of Washington, D.C., that perhaps you would see, but instead police, fire, rescue, emergency services, health care, epidemiologists, some retired general officers, some key people of this nature in the Intelligence Community.

The alumni, if you will, of this Commission over the nearly now 5 years of its existence include Paul Bremer, General Clapper, who now heads the National Mapping and Imagery Agency, Ray Downey, a top official with the New York City Fire Department until he was killed at the World Trade Center, Rich Fairbank, who serves on the staff now in the current White House on Homeland Security.

The Commission went to work, and in 1999 in our first year we reported an assessment of the threat to the Congress, which was widely reported, and of course copies were sent to each Member of the Congress and to the President each year.

We did a threat assessment in that year, and in the second year we did perhaps some of our best policy work. We recommended that there be a national strategy. We were concerned about the strong probability of conventional attack in this country. We recommended that there be a national strategy to combat terrorism. We recommended a strategy that was national, was not Federal, and remains not Federal. It is Federal, State and local, and must contain all three levels of government in order to be able to respond to the terrorist threat.

We recommended a need for a national office to establish such a strategy, and we had recommendations on intelligence sharing and expressed concern about the inability, particularly of Federal agencies, to share information back and forth, and absolutely the inability to share information up and down the Federal structure with Federal, State and local people together.

In the third year, 2001, we focused our attention, as we were going out of business under your statute and sunseting after 3 years, we focused our attention for our December the 15th report in five areas: How to use the local and State responders, how to equip them, border controls, health care and the public health system, how you use the military in a domestic setting, and cyber security.

This Commission was very largely established under the leadership of a Member of this House, Curt Weldon, of the State of Pennsylvania, who was very strongly leading in the establishment of the Commission, and then we were done. We were going out of business just about the time that we sent it up to the printer when the 9/11 attack occurred.

There has been some discussion in opening statements of where you were. Ladies and gentlemen, I was Governor of the State of Virginia at the time the attack occurred. I was Governor of one of the two States directly attacked that day, of course New York and Virginia, because that is where the Pentagon is, and the responders were Arlington, Alexandria, Fairfax, Prince William, later

Montgomery County, and then as the days wore on people from all across the Nation, local responders who came into the Pentagon.

In 2000, of course this body and the Senate then extended the Commission for 2 additional years, for 2002 and then 2003.

In 2002, we did another extensive report in which we focused our attention on some directional areas, particularly with respect to the intelligence issues, the Intelligence Community. We recommended that there be an intelligence fusion center to begin to find some vehicle for drawing together and connecting the dots on the intelligence that needed to be done in order to connect the FBI, the CIA, the National Security Agency, and State and local people who pick up most of the information on the street in the first place, and to try to create all of this in one place where information could be shared.

We also addressed the issue of the appropriate agency to conduct domestic counterterrorism operations here in the United States, in the homeland.

That gives you a quick history, Mr. Chairman, of the Commission. It is all fully set out in the statement that we put in. Let me speak to you now very quickly as an opening statement about the upcoming report. It is still in progress. It will be under your statute on December the 15th of this year. That will be the fifth report. Then under your statutory provisions we will again go out of business and we will not exist any longer.

But we will have done 5 full years of material on this, which we hope has been of value to this Congress. It has been very extensive, very dispassionate, not grandstanding, as professional as we can be, in giving you the information we believe necessary for you to make good judgments as a legislative body.

This fifth report as we look ahead, as we are anticipating the end of our Commission, we have asked ourselves the questions: What should the country look like in 5 or 10 years? With all of this that we are doing now, all this legislating and all of this administrating and all of this work that is being done, and all of this money that is being spent, what do we want the country to look like? Jersey walls? Statues all over the place? Security everywhere? What do we want the end state to be? What is the definition of preparedness? We do not today still have a definition of preparedness. What is it? How do you implement an appropriate national strategy? How do you define readiness? Until you do that, how do you know what to spend the money on? How do localities know what they are supposed to do and how they are supposed to fit in? Do they simply ask for money for their own local priorities or does it fit into a national strategy.

These are the kinds of questions that have to be asked.

Last week, we did a 2-day meeting, Mr. Chairman, in Sacramento, where we held a normal third quarterly meeting. We will have one more last meeting, probably in Washington, D.C. The RAND Corporation staffs us pursuant to your authority. And in that meeting in Sacramento, we had video conferenced in Admiral Jim Loy of the Transportation Safety Administration, who answered the two fundamental questions that we were asking, what do you want the country to look like, and how we protect our civil freedoms here in this country while we are doing it?

We had Mike Armstrong, a representative of the Business Roundtable come in and talk to us about how we hook in the private sector. We had representatives from the major responder and emergency services organizations come in and speak to us in Sacramento.

Then I was invited personally to come the next day to Seattle in order to speak to a summit conference of the local responder organizations. It was held the following day on Friday, and then I think through the weekend, in order to discuss where they fit in, because they are trying to understand how they should work within the national strategy.

Let me read, if I could, one or two paragraphs in closing from my opening remarks. While the statement is extensive, I have written something just for this hearing here today, which I think will capture where I think we will be on December the 15th, even though it is still a work in progress.

We believe that the national goal must be to implement a true national strategy that assesses the true risk to the Nation, and reasonably prepares for those risks. Complete security is not possible against a terrorist attack, but a good national strategy can reduce the risk and direct our resources to the correct priorities.

Only then can we manage the cost of homeland security, and know that the money we are spending is effective within a national strategy. We must then have a frank dialogue with the American people that all risk cannot be eliminated. Everything is vulnerable in a free society. All risk cannot be eliminated.

We must decide what roles are appropriate for Federal, State and local governments, the private sector, and the people themselves. Then we should return to normalcy. And understand our definition of normal. Normalcy will never again be an unguarded, inattentive state, but we also must decide how much is enough and continue on with the array of priorities that we will pursue as a Nation.

Defining preparedness and the roles of States and localities will be a key part of our fifth and final report. We also will draw attention to the need to maintain our civil freedoms as we make the Nation more secure. Our traditional values of liberty cannot be balanced against or traded off for security. We must be cautious that those responsible for security, all of us who are responsible for security, do not simply redefine away our freedoms in the name of security.

It is preparedness that must be defined, not our definition of freedom that has already gained its meaning from the blood of American patriots, including those who died on September the 11th, 2001, and this too will be discussed in the final report this December.

Thank you, Mr. Chairman.

[The statement of Mr. Gilmore follows:]

PREPARED STATEMENT OF THE HON. JAMES S. GILMORE

Chairman Cox, Representative Turner and distinguished Members of this Committee, I am honored to be here today. I come before you as the Chairman of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction. Thank you for the opportunity to present the views of the Advisory Panel. This is the national commission on terrorism (a.k.a the Gil-

more Commission) and we have been influential in the development of a national “Homeland Security” strategy—a strategy that is not federal—but is focused on federal, state, and local capabilities to respond to the unthinkable acts of terrorism on our homeland.

On September 11th, our nation saw the unlimited imagination of these terrorists. That defining moment in our shared history as Americans has forced all of us to recognize that we must be better prepared at the state, local, and federal level.

Gilmore Commission Background

The Advisory Panel was established by Section 1405 of the National Defense Authorization Act for Fiscal Year 1999, Public Law 105?261 (H.R. 3616, 105th Congress, 2nd Session) (October 17, 1998). That Act directed the Advisory Panel to accomplish several specific tasks. It said:

The panel shall—

- Assess Federal agency efforts to enhance domestic preparedness for incidents involving weapons of mass destruction;
- Assess the progress of Federal training programs for local emergency responses to incidents involving weapons of mass destruction;
- Assess deficiencies in programs for response to incidents involving weapons of mass destruction, including a review of unfunded communications, equipment, and planning requirements, and the needs of maritime regions;
- 4. Recommend strategies for ensuring effective coordination with respect to Federal agency weapons of mass destruction response efforts, and for ensuring fully effective local response capabilities for weapons of mass destruction incidents; and
- 5. Assess the appropriate roles of State and local government in funding effective local response capabilities.

That Act required the Advisory Panel to report its findings, conclusions, and recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction to the President and the Congress three times during the course of the Advisory Panel’s deliberations?on December 15 in 1999, 2000, and 2001.

The Advisory Panel’s tenure was extended for two years in accordance with Section 1514 of the National Defense Authorization Act for Fiscal Year 2002 (S. 1358, Public Law 107–107, 107th Congress, First Session), which was signed into law by the President on December 28, 2001. By virtue of that legislation, the panel is now required to submit two additional reports?one on December 15 of this year, and one on December 15, 2003.

Panel Composition

Mister Chairman, as I usually do on occasions like this, please allow me to pay special tribute to the men and women who serve on our panel.

This Advisory Panel is unique in one very important way. It is not the typical national “blue ribbon” panel, which in most cases historically have been composed almost exclusively of what I will refer to as “Washington Insiders”—people who have spent most of their professional careers inside the Beltway. This panel has a sprinkling of that kind of experience—a former Member of Congress and Secretary of the Army, a former State Department Ambassador-at-Large for Counterterrorism, a former senior executive from the CIA and the FBI, a former senior member of the Intelligence Community, the former head of a national academy on public health, two retired flag-rank military officers, a former senior executive in a non-governmental charitable organization, and the head of a national law enforcement foundation. But what truly makes this panel special and, therefore, causes its pronouncement to carry significantly more weight, is the contribution from the members of the panel from the rest of the country:

- Three directors of state emergency management agencies, from California, Iowa, and Indiana, two of whom now also serve their Governor’s as Homeland Security Advisors
- The deputy director of a state homeland security agency
- A state epidemiologist and director of a state public health agency
- A former city manager of a mid-size city
- The chief of police of a suburban city in a major metropolitan area
- Senior professional and volunteer fire fighters
- A senior emergency medical services officer of a major metropolitan area
- And, of course—in the person of your witness—a former State governor
- These are representatives of the true “first responders”—those heroic men and women who put their lives on the line every day for the public health and safety of all Americans. Moreover, so many of these panel members are also national leaders in their professions: our EMS member is a past president of the national association of emergency medical technicians; one of our emergency

managers is the past president of her national association; our law officer now is president of the international association of chiefs of police; our epidemiologist is past president of her professional organization; one of our local fire-fighters is chair of the terrorism committee of the international association of fire chiefs; the other is chair of the prestigious national Interagency Board for Equipment Standardization and Interoperability.

Read our reports and you will understand what that expertise has meant to the policy recommendations that we have made, especially for the events of last year.

Those attacks continue to carry much poignancy for us, because of the direct loss to the panel. Ray Downey, Department Deputy Chief and chief-in-charge of Special Operations Command, Fire Department of the City of New York, a friend of many members of Congress, perished in the attack on the New York World Trade Center. Although we continue to miss Ray's superb advice, counsel, and dedication to these issues, we trust that Ray knows that we are carrying on in the tradition that he helped us to establish.

Our Continuing Mission

Mister Chairman and Members, this Advisory Panel continues to work hard to develop the best possible policy recommendations for consideration by the President and the Congress. Now, of course, people and organizations are coming out of the woodwork, claiming to be all manner of "experts" in homeland security. At the same time, this panel is toiling away, seeking neither fame nor credit for its work, simply trying to find some rational and feasible solutions to many problems and challenges that still face us.

Observations about Terrorism Preparedness

In the course of our deliberations, the Advisory Panel has been guided by several basic observations and assumptions that have helped to inform our conclusions and policy recommendations for improving our preparedness to combat terrorism.

First, all terrorism is "local," our at least will start locally. That fact has a lot to do, in our view, with the emphasis, the priorities, and the allocation of resources to address requirements. September 11 and the subsequent anthrax attacks were further proof of that basic assumption. Second, a major attack anywhere inside our borders will likely be beyond the response capabilities of a local jurisdiction, and will, therefore, require outside help—perhaps from other local jurisdictions, from that jurisdiction's state government or multiple state resources, perhaps from the Federal government, if the attack is significant enough to exhaust other resources. That principle was likewise validated last September.

Given those two factors, our approach to combating terrorism should be from the "bottom up"—with the requirements of State and local response entities foremost in mind. Then national leadership should harmonize those local requirements into a true national strategy.

We note that we have many existing capabilities that we can build on in an "all-hazards" approach, which can include capabilities for combating terrorism.

Our thorough research and deliberations have also led us to observe that there is great apprehension among States and localities that some Federal entity will attempt to come in and take charge of all activities and displace local response efforts and expertise.

That was not and likely could not, because of the actual circumstances in New York, have been the case in September. But all events may not unfold in that fashion.

Based on a significant amount of analysis and discussion, we have been of the view that few if any major structural or legal changes are required to improve our collective efforts; and that the "first order" challenges are policy and better organization—not simply more money or new technology.

With respect to Federal efforts, two years ago we concluded that, prior to an actual event, no one cabinet department or agency can "supervise" the efforts of other federal departments or agencies. When an event occurs, response will be situational dependent; federal agencies can execute responsibilities within existing authority and expertise, but under established "Lead Federal Agency" coordinating processes

Support for Panel Activities and Reports

Mister Chairman, it also says something about the foresight of this committee that you directed in legislation that analytical and other support for the Advisory Panel would be provided by a Federally Funded Research and Development Center. We have been exceptionally fortunate to have that support provided by The RAND Corporation. The breadth and depth of experience at RAND in terrorism and policy issues across a broad spectrum have made possible the panel's success in accomplishing its mandate. Its assessments of federal programs, its case studies and hundreds of interviews across the country and around the world, its seminal work in surveying state and local response entities nationwide, its facilitation of our discus-

sion—leading to near unanimity of members on this broad spectrum of recommendations, its work in drafting reports based on our extensive deliberations, all have combined to make this effort a most effective and meaningful one.

Our Reports

In our first three reports, the advisory panel has, through its assessments and recommendations, laid a firm foundation for actions that must be taken across a broad spectrum of threats in a number of strategic and functional contexts to address this problem more effectively.

First Report—Assessing the Threat

The Advisory Panel produced a comprehensive assessment in its first report of the terrorist threat inside our borders, with a focus on chemical, biological, radiological, and nuclear (CBRN) weapons. The very thorough analysis in that report can be summarized:

The Panel concludes that the Nation must be prepared for the entire spectrum of potential terrorist threats—both the unprecedented higher-consequence attack, as well as the historically more frequent, lesser-consequence terrorist attack, which the Panel believes is more likely in the near term. Conventional explosives, traditionally a favorite tool of the terrorist, will likely remain the terrorist weapon of choice in the near term as well. Whether smaller-scale CBRN or conventional, any such lower-consequence event—at least in terms of casualties or destruction—could, nevertheless, accomplish one or more terrorist objectives: exhausting response capabilities, instilling fear, undermining government credibility, or provoking an overreaction by the government. With that in mind, the Panel's report urges a more balanced approach, so that not only higher-consequence scenarios will be considered, but that increasing attention must now also be paid to the historically more frequent, more probable, lesser-consequence attack, especially in terms of policy implications for budget priorities or the allocation of other resources, to optimize local response capabilities. A singular focus on preparing for an event potentially affecting thousands or tens of thousands may result in a smaller, but nevertheless lethal attack involving dozens failing to receive an appropriate response in the first critical minutes and hours.

While noting that the technology currently exists that would allow terrorists to produce one of several lethal CBRN weapons, the report also describes the current difficulties in acquiring or developing and in maintaining, handling, testing, transporting, and delivering a device that truly has the capability to cause “mass casualties.”

We suggest that that analysis is still fully valid today.

Second Report—Toward a National Strategy for Combating Terrorism By the second year, the Advisory Panel shifted its emphasis to specific policy recommendations for the Executive and the Congress and a broad programmatic assessment and functional recommendations for consideration in developing an effective national strategy.

The capstone recommendation in the second report was the need for a comprehensive, coherent, functional national strategy: The President should develop and present to the Congress a national strategy for combating terrorism within one year of assuming office. As part of that recommendation, the panel identified the essential characteristics for a national strategy:

- It must be truly national in scope, not just Federal.
- It must be comprehensive, encompassing the full spectrum of deterrence, prevention, preparedness, and response against domestic and international threats.
- For domestic programs, it must be responsive to requirements from and fully coordinated with state and local officials as partners throughout the development and implementation process.
- It should be built on existing emergency response systems.
- It must include all key functional domains—intelligence, law enforcement, fire services, emergency medical services, public health, medical care providers, emergency management, and the military.
- It must be fully resourced and based on measurable performance.

Of course, the Panel recognizes that in light of September 11, 2001 this objective has been difficult to achieve. However, the principles contained within this strategy and their requirements remain the same.

The Second Annual Report included a discussion of more effective Federal structures to address the national efforts to combat terrorism. We determined that the solutions offered by others who have studied the problem provided only partial answers. The Advisory Panel attempted to craft recommendations to address the full

spectrum of issues. Therefore, we submitted the following recommendation: The President should establish a senior level coordination entity in the Executive Office of the President. The characteristics of the office identified in that recommendation included:

- Director appointed by the President, by and with the advice and consent of the Senate, at “cabinet-level” rank
- Located in the Executive Office of the President
- Authority to exercise certain program and budget controls over those agencies with responsibilities for combating terrorism
- Responsibility for intelligence coordination and analysis
- Tasking for strategy formulation and implementation
- Responsibility for reviewing State and local plans and to serve as an information clearinghouse
- An interdisciplinary Advisory Board to assist in strategy development
- Multidisciplinary staff (including Federal, State, and local expertise)
- No operational control

We included a thorough explanation of each characteristic in our Second Annual Report. For instance, we determined that this office should have the authority to direct the creation, modification, or cessation of programs within the Federal Interagency, and that it have authority to direct modifications to agency budgets and the application of resources. We also recommended that the new entity have authority to review State and geographical area strategic plans and, at the request of State entities, to review local plans or programs for combating terrorism for consistency with the national strategy. Although not completely structured around our recommendations, the model for the creation of the Office of Homeland Security came from this recommendation.

To complement our recommendations for the federal executive structure, we also included the following recommendation for the Congress: The Congress should establish a Special Committee for Combating Terrorism—either a joint committee between the Houses or separate committees in each House—to address authority and funding, and to provide congressional oversight, for Federal programs and authority for combating terrorism. The philosophy behind this recommendation is much the same as it is for the creation of the office in the Executive Office of the President. There needs to be a focal point in the Congress for the Administration to present its strategy and supporting plans, programs, and budgets, as well as a legislative “clearinghouse” where relevant measures are considered. We recognize that Congress is still in the process of working towards this objective.

In conjunction with these structural recommendations, the Advisory Panel made a number of recommendations addressing functional requirements for the implementation of an effective strategy for combating terrorism. The recommendation listed below are discussed thoroughly in the Second Annual Report:

Enhance Intelligence/Threat Assessments/Information Sharing

— Improve human intelligence by the rescission of that portion of the 1995 guidelines, promulgated by the Director of Central Intelligence, which prohibits the engagement of certain foreign intelligence informants who may have previously been involved in human rights violations

— Improve Measurement and Signature Intelligence (MASINT) through an expansion in research, development, test, and evaluation (RDT&E) of reliable sensors and rapid readout capability and the subsequent fielding of a new generation of MASINT technology based on enhanced RDT&E efforts

— Review statutory and regulatory authorities in an effort to strengthen investigative and enforcement processes

— Improve forensics capabilities to identify and warn of terrorist use of unconventional weapons

— Expand information sharing and improve threat assessments

Foster Better Planning/Coordination/Operations

— Designate the senior emergency management entity in each State as the focal point for that State for coordination with the Federal government for preparedness for terrorism

— Improve collective planning among Federal, State, and local entities

— Enhance coordination of programs and activities

— Improve operational command and control of domestic responses

— The President should always designate a Federal civilian agency other than the Department of Defense (DoD) as the Lead Federal Agency

Enhance Training, Equipping, and Exercising

— Improve training through better coordination with State and local jurisdictions

— Make exercise programs more realistic and responsive

Improve Health and Medical Capabilities

- Establish a national advisory board composed of Federal, State, and local public health officials and representatives of public and private medical care providers as an adjunct to the new office, to ensure that such issues are an important part of the national strategy

- Improve health and medical education and training programs through actions that include licensing and certification requirements

- Establish standards and protocols for treatment facilities, laboratories, and reporting mechanisms

- Clarify authorities and procedures for health and medical response

- Medical entities, such as the Joint Commission on Accreditation of Healthcare Organizations, should conduct periodic assessments of medical facilities and capabilities

Promote Better Research and Development and Create National Standards

- That the new office, in coordination with the Office of Science and Technology Policy, develop a comprehensive plan for RDT&E, as a major component of the national strategy

- That the new office, in coordination with the National Institute for Standards and Technology (NIST) and the National Institute for Occupational Safety and Health (NIOSH) establish a national standards program for combating terrorism, focusing on equipment, training, and laboratory processes

Third Report—For Ray Downey

Our Third Annual Report to the President and the Congress builds on findings and recommendations in our First and Second Annual Reports delivered in 1999 and 2000. It reflects a national strategic perspective that encompasses the needs of all three levels of government and the private sector. It seeks to assist those who are dedicated to making our homeland more secure. Our recommendations fall into five categories:

- Empowering State and Local Response by ensuring the men and women on the front line of the war against terrorism inside our borders have the tools and resources needed to counter the murderous actions of terrorists;
- Enhancing Health and Medical Capacities, both public and private, to help ensure our collective ability to identify attacks quickly and correctly, and to treat the full scope of potential casualties from all forms of terrorist attacks;
- Strengthening Immigration and Border Controls to enhance our ability to restrict the movement into this country, by all modes of transportation, of potential terrorists and their weapons and to limit severely their ability to operate within our borders;
- Improving Security Against Cyber Attacks and enhancing related critical infrastructure protection to guard essential government, financial, energy, and other critical sector operations against attack;

Clarifying the Roles and Missions for Use of the Military for providing critical and appropriate emergency response and law enforcement related support to civilian authorities. Mister Chairmen, I should note that the substance of all of the recommendations contained in the third report were approved by the panel at its regular meeting held on August 27 and 28, 2001—Tuesday the 28th being exactly two weeks prior to the attacks of September 11. Although we thoroughly reviewed those recommendations subsequently, the panel unanimously agreed that all were valid and required no supplementation prior to publication.

The recommendations contained in that report, listed below in summary form, are discussed in detail in the body of the report, and further supported by material in the report appendices, especially the information from the nationwide survey of State and local responders covering an array of preparedness and response issues.

State and Local Response Capabilities

- Increase and accelerate the sharing of terrorism-related intelligence and threat assessments

- Design training and equipment programs for all-hazards preparedness

- Redesign Federal training and equipment grant programs to include sustainment components

- Increase funding to States and localities for combating terrorism

- Consolidate Federal grant program information and application procedures

- Design Federal preparedness programs to ensure first responder participation, especially volunteers

- Establish an information clearinghouse on Federal programs, assets, and agencies

- Configure Federal military response assets to support and reinforce existing structures and systems

Health and Medical Capabilities

- Implement the AMA Recommendations on Medical Preparedness for Terrorism
- Implement the JCAHO Revised Emergency Standards
- Fully resource the CDC Biological and Chemical Terrorism Strategic Plan
- Fully resource the CDC Laboratory Response Network for Bioterrorism
- Fully resource the CDC Secure and Rapid Communications Networks
- Develop standard medical response models for Federal, State, and local levels
- Reestablish a pre-hospital Emergency Medical Service Program Office
- Revise current EMT and PNST training and refresher curricula
- Increase Federal resources for exercises for State and local health and medical entities
- Establish a government-owned, contractor-operated national vaccine and therapeutics facility
- Review and recommend changes to plans for vaccine stockpiles and critical supplies
- Develop a comprehensive plan for research on terrorism-related health and medical issues
- Review MMRS and NDMS authorities, structures, and capabilities
- Develop an education plan on the legal and procedural issues for health and medical response to terrorism
- Develop on-going public education programs on terrorism causes and effects
- Immigration and Border Control
 - Create an intergovernmental border advisory group
 - Fully integrate all affected entities into local or regional “port security committees”
 - Ensure that all border agencies are partners in intelligence collection, analysis, and dissemination
 - Create, provide resources for, and mandate participation in a “Border Security Awareness” database system
 - Require shippers to submit cargo manifest information simultaneously with shipments transiting U.S. borders
 - Establish “Trusted Shipper” programs
 - Expand Coast Guard search authority to include U.S. owned—not just “flagged”—vessels
 - Expand and consolidate research, development, and integration of sensor, detection, and warning systems
 - Increase resources for the U.S. Coast Guard for homeland security missions
 - Negotiate more comprehensive treaties and agreements for combating terrorism with Canada and Mexico
- Cyber Security
 - Include private and State and local representatives on the interagency critical infrastructure advisory panel
 - Create a commission to assess and make recommendations on programs for cyber security
 - Establish a government funded, not-for-profit entity for cyber detection, alert, and warning functions
 - Convene a “summit” to address Federal statutory changes that would enhance cyber assurance
 - Create a special “Cyber Court” patterned after the court established in FISA
 - Develop and implement a comprehensive plan for cyber security research, development, test, and evaluation Use of the Military
 - Establish a homeland security under secretary position in the Department of Defense
 - Establish a single unified command and control structure to execute all military support to civil authorities
 - Develop detailed plans for the use of the military domestically across the spectrum of potential activities
 - Expand training and exercises in relevant military units and with Federal, State, and local responders
 - Direct new mission areas for the National Guard to provide support to civil authorities
 - Publish a compendium of statutory authorities for using the military domestically to combat terrorism
 - Improve the military full-time liaison elements in the ten Federal Emergency Management Agency region

Status of Our Recommendations

Mr. Chairman and Members, I can tell you that, according to our most recent count, of the 79 major policy recommendations made by the Advisory Panel in the

first three reports, at least 64 have now been adopted in whole or in major part. One major recommendation from our fourth report, for an intelligence fusion center, was adopted by the President in his State of the Union address and has now become the Terrorist Threat Integration Center (TTIC). Having said that, there are other recommendations that continue to need to be addressed, and some that could still use additional resources or policy direction.

Fourth Report—Implementing the National Strategy and Structure

Briefly, the ‘Strategy and Structure’ Chapter recommends:

- That the President create an entity that will become the all-source fusion and analysis center for potential terrorists attacks inside the United States from foreign terrorists and their supporters. That center would also house, in a separate component, the intelligence collection against such terrorists currently in the FBI.
- That more comprehensive assessments of threats to the homeland be developed
- That the new DHS have the necessary capability and authority to perform the critical infrastructure vulnerability and warning functions envisioned in its enabling legislation
- That the President clearly define the responsibilities of DHS and other federal entities before, during, and after an attack has occurred, especially any authority for directing the activities of other federal agencies
- That the President direct a restructuring of the Federal interagency mechanisms to ensure better coordination within the federal government, and with states, localities, and the private sector, to avoid confusion and to reduce unnecessary expenditure of limited resources at all levels

And to repeat an earlier recommendation of the panel:

- That each House of the Congress establish a separate authorizing committee and related appropriation subcommittee with jurisdiction over Federal programs and authority for Combating Terrorism/Homeland Security.

I will be happy to address any questions that Members may have concerning those recommendations.

Use of the Military

The panel continues to address issues involving the use of the military inside the United States for various responses to terrorism. In its next report, the panel will make recommendations dealing with:

- Command and control issues involving the new U.S. Northern Command (NORTHCOM)
- Developing a more comprehensive, coordinated process to identify the potential needs of States and localities, as well as other Federal agencies, for military support against terrorist attacks
- Additional authority for use of the National Guard in a Title 32 status
- New roles and missions for certain National Guard units
- Better training and exercise programs for military units for performing homeland missions
- Better structure and policies for DoD civilian oversight of the military
- Clarification, consolidation, and explanations of laws for use of the military domestically

Health and Medical

The panel continues its efforts to address the important issues in health and medical planning, preparedness, and response to terrorism and will make recommendations on the following subjects:

- Sustaining and prioritizing resources to improve the public health and medical infrastructure
- Exercising and training health and medical response entities in the larger emergency management context of terrorism response including exercising the use of the National Pharmaceutical Stockpile
- Centralizing, coordinating, and simplifying Federal information on resources, best practices, and research for state and local access
- Implementing the full range of research to improve health and medical detection of and response to terrorist attacks
- Developing and operationalizing the laws and regulations for health and medical response to a terrorist attack including the clarification of the Health Insurance Portability and Accountability Act (HIPAA) guidelines and the rules for quarantine
- Defining who is in charge in response to a bioterrorist attack
- Developing a strategic information plan for educating and communicating with the public and the media before, during and after an attack
- Improving intelligence collection related to health and medical issues

- Establishing a national vaccine strategy
- Responding to the threat of a smallpox attack

Critical Infrastructure Protection

For the Fourth Report, the panel has expanded its consideration beyond cyber security to include issues of physical protection of critical infrastructure. It will make CIP recommendations in the following areas:

- Federal reimbursement for certain costs incurred by States, localities, and the private sector for improvements to infrastructure security
- Improved training, standards, and protocols for government and private sector responders, to include facilities, responder equipment, and communications compatibility and interoperability
- More comprehensive and concise policies and enhanced capabilities for intelligence and information sharing involving critical infrastructure among government entities and with the private sector
- Improvements in security measures for and in the screening of non-passenger cargo aboard commercial aircraft
- Development of significantly enhanced security measures for general aviation aircraft, passengers, and facilities
- Expanded research and development into CIP security measures
- Comprehensive revamping of Federal laws to address privacy, freedom of information, liability, anti-trust, indemnification, insurance, and related issues
- Enhanced security for agriculture and the food supply structure

Agroterrorism

The panel once again addresses the issue of Agroterrorism, and will make recommendations in the following areas:

- Developing threat assessments for potential terrorist attacks against U.S. agriculture
- Including Agroterrorism as an Emergency Support Function in the principal Federal response plan
- Improving processes for testing for and identifying agroterrorism attacks
- Creating a system of fair compensation for losses due to an attack
- Enhancing education, training, and exercises on attacks to agriculture

We must develop processes that help us understand better how we set priorities for homeland security. We must answer some fundamental questions about preparedness, including the overarching one: “Preparedness for what”? Without a firm grasp on how to answer that question, how will we know that we have our priorities set forth correctly, and that the expenditure of scarce resources at every level of government is appropriate. A more educated and enlightened assessment of the threats we face is critical to answering that basic question.

An integral part of that issue is the absolute necessity to have national standards for how entities at all levels of government and in the private sector train, equip, and plan for, and then coordinate responses to attacks. We are still a long way from having any standards for a variety of these issues related to homeland security.

Mister Chairman, in the panel’s second report, submitted in December of 2000, we addressed this issue head on. We did so in the context of our recommendation at that time for the creation of an office in the White House, very similar but not exactly like the Office of Homeland Security (OHS) headed by my friend Tom Ridge. We called it the National Office for Combating Terrorism, rather than “Homeland Security.” We would have placed some very specific responsibilities in that Office and in other entities for the development of national standards and for processes for research, development, test, and evaluation (RDT&E) to further the implementation of those standards. Those recommendations are worth repeating. (To avoid any confusion, the references to the “National Office” and “Assistant Director” are to the specific construct that we recommended in 2000, not to anything that currently exists in OHS). We said in 2000:

“Improve Plans for Research, Development, Test and Evaluation for Combating Terrorism”

“The national strategy developed by the National Office for Combating Terrorism must contain a clear set of priorities for RDT&E. The program and budget authority of that office must be exerted to ensure effective application of Federal funds devoted to this purpose.

“The White House Office of Science & Technology Policy should play a major role in the effort. We recommend that the Assistant Director for RDT&E and National Standards of the National Office for Combating Terrorism either enter into a formal relationship with OSTP or have appropriate members of the OSTP staff detailed to the National Office for Combating Terrorism on a rotational basis.

“Wide varieties of equipment that have potential application for combating terrorism are available from commercial vendors. Nevertheless, many local responders have told us that some equipment they purchased does not meet the specifications described by the vendor. At present, no viable program is in place for testing and evaluating the effectiveness of equipment for combating terrorism. We recommend that the Assistant Director for RDT&E and National Standards develop equipment testing protocols and continue to explore the prospect of financial support from vendors for equipment live agent test and evaluation, leading to Federal certification. We recommend that the Assistant Director for RDT&E and National Standards develop, as part of the national strategy, a comprehensive plan for long-range research for combating terrorism; this should include better coordination among the National Laboratories. The focus of those efforts by National Laboratories should be dual- or multi-purpose applications.

“The National Office for Combating Terrorism should also integrate other indirect, yet applicable, research and development projects into its information-dissemination process. For example, the Deputy Directorate for Operations (Combating Terrorism) within the Joint Staff provides executive seminars on its Best Practices Study for anti-terrorism and force protection. This program also collects information on “commercial off the shelf” resources and equipment to support its anti-terrorism mission. These studies and resources may not directly relate to policy and standards for combating terrorism at the State and local level but may well contribute to State and local preparedness.

“The top priorities for targeted research should be responder personnel protective equipment (PPE); medical surveillance, identification, and forensics; improved sensor and rapid-readout capability; vaccines and antidotes; and communications interoperability.

“Develop National Standards for Equipment, Training, and Laboratory Processes

“One of our basic assumptions is that no single jurisdiction is likely to be capable of responding to a major terrorist attack without outside assistance. That leads to the inescapable conclusion that the development of national standards is a critical element of any national plan. Firefighters or EMS technicians in the jurisdiction where an attack takes place must not be concerned that responders from other jurisdictions, providing “mutual assistance,” will arrive with equipment of a different standard than local responders, even at risk of becoming casualties themselves.

“We recommend that the Assistant Director for RDT&E and National Standards in the National Office for Combating Terrorism establish a national standards program for combating terrorism, focusing on equipment, training, and laboratory processes. The fundamental objectives for equipment standards will be nationwide compatibility, and dual-/ multi-purpose applications. For training, they will be interdisciplinary curricula, and training exercises based on realistic scenarios. For laboratories, the focus should be clear, strict protocols for identification, forensics, and reporting. The ultimate goal of the national standards program should be certification of the specific equipment, training, or laboratory and a recapitulation of certifications in a “Consumers Digest,” for use by response entities nationwide.

“We recommend that the National Institute for Standards and Technology (NIST) and the National Institute for Occupational Safety and Health (NIOSH) be designated as Federal “co-lead agencies” for the technical aspects of standards development. The Executive Branch and the Congress should provide resources for the development of national standards, and Congress should be presented with a detailed budget request for that purpose at the earliest opportunity. In addition, the Interagency “Board for Equipment Standardization and InterOperability should be subordinated to the National Office for Combating Terrorism.

“The Federal co-lead agencies should develop certification standards in coordination with appropriate Federal agencies and with advice from State and local response entities, professional organizations that represent response disciplines, and private and quasi-public certifying entities.”

Mister Chairman, those functions that we recommend now almost two years ago still need to be performed, now obviously more urgently than before. Unfortunately, we are still a long way from achieving any coherence in standards and testing, especially for “first responder” equipment and communications capability. It is still the case that the only “standards” available are what vendors say are the capabilities of their wares. We continue to need something like an “underwriters laboratory” for a wide variety of protective equipment and communications. We have before and will again recognize the efforts of the Interagency Board for Equipment Standardization and InterOperability, National Personal Protective Technology Laboratory (in the Chairman’s home state of Pennsylvania) and the Technical Support Working

Group. Those efforts will not, however, be nearly enough, at least not at the level of current resources.

For training, the panel is encouraged that the majority of Federal training programs, at least those currently in FEMA and DOJ, will apparently be combined in the new DHS. Nevertheless, other Federal agencies—EPA, DOE, DoD, DHHS as examples—will continue to conduct training that will need to conform to a set of national training standards. That effort has not yet been undertaken, but it should be required on an urgent basis.

Fifth Report—A Return to Normalcy

The Commission will end its five years of work on behalf of the Congress with its final report on December 15, 2003 to the Congress and the President.

Mister Chairman, in our second report in 2000, we recommended a Director of Homeland Security in the Executive Office of the President to develop a national strategy, and to direct its implementation among the array of cabinet departments and agencies. We recommended that the Director have great authority over the Federal bureaucracy, including budget certification authority. We did not recommend a separate Department of Homeland Security because of concerns that delays resulting from setting up the new Department would slow the implementation of the national strategy. It has been decided that the advantages of a Department organization outweigh that risk, and our goal is to assist the new Department and the federal, state, and local governments by strategic thinking on Homeland Security.

We believe that the national goal must be to implement a true national strategy that assesses the true risk to the nation and reasonably prepares for those risks. Complete security is not possible against a stealth terrorist attack, but a good national strategy can reduce that risk, and direct our resources to the correct priorities. Only then can we manage the costs of Homeland Security and know the money we are spending is effective within a national strategy.

We must then have a frank dialogue with the American people that all risk cannot be eliminated. We must decide what roles are appropriate for federal, state, and local governments, the private sector and the people themselves.

Then we should return to normalcy, and understand our definition of normal. Normalcy will never again be an unguarded or inattentive state, but we also must decide how much is enough, and continue on with the array of priorities we will pursue as a nation. Defining preparedness and the roles of states and localities will be a key part of our Fifth Report.

We also will draw attention to the need to maintain our Civil Freedoms as we make the nation more secure. Our traditional values of liberty cannot be balanced against or traded off for security. We also must be cautious that those responsible for security do not simply redefine away our freedoms in the name of security. It is preparedness that must be defined, not our definition of freedom that has already gained its meaning from the blood of American patriots, including those that died on September 11, 2001. This, too, will be discussed in the final report this December.

Conclusion

The Advisory Panel will continue to be relentless in pursuing appropriate solutions to these difficult issues, even if our recommendations are controversial and cross some “turf” boundaries. We will always—always—consider as an overarching concern the impact of any legal, policy, or process changes on our civil rights and liberties. Our Constitution, our laws, our judicial system, our culture, our history all combine to make our way of life unique in all the world.

Thank you again for this opportunity.

Chairman COX. Thank you, Governor. Thank you both for your outstanding testimony, for the work that you have done in preparation for it and for your assistance to the Congress and to the President in our work.

Ms. Hill, one of the Joint Inquiry’s recommendations that you cited in your own testimony today is for, quote, full development within the Department of Homeland Security of an effective, all-source terrorism information fusion center.

That all-source center is supposed to have—continuing to quote the recommendation—full and timely access to all counterterrorism related intelligence information, including raw supporting data as needed.

We share that view. I stressed in my opening statement that I believe this is a bipartisanship view of virtually every member of this committee. That is what we think we legislated, having read the statute many times over, in creating the Information Analysis and Infrastructure Protection Directorate within the new Department. We want that mandate implemented, and we are somewhat troubled by the implications that perhaps it isn't.

Your testimony notes, for example, creation of the Terrorist Threat Integration Center, TTIC, not within the Department of Homeland Security but as a nonstatutory DCI-supervised inter-agency joint venture.

Can you outline the reasons that the Joint Inquiry specifically recommended full development of an effective, all-source terrorism information fusion center, quote, within the Department of Homeland Security?

Ms. HILL. I believe, Mr. Chairman, that the reason for a fusion center, wherever it is, was the numerous examples, in the hearings and our work, of the failure to bring all of that information into one place to look at the big picture, to connect the dots, to analyze it the way it should be analyzed and then to get it to the people who need it.

So any fusion center is hopefully designed to do that. The reason, as I recall that the recommendation speaks specifically to the one in the Department of Homeland Security—was because at the time the committees considered these recommendations that had been statutorily enacted. They were aware that there was a statutory provision to set that up in the Department of Homeland Security.

I think the National inclination was Congress has decided that is where it is going to go. If it goes there, it needs to be effective. I think a large part of the thrust of the recommendation was not just that you should have it at Homeland Security but that whatever is set up there should be done the right way, specifically, to include things like access to raw data, which had been a problem, and a whole host of other issues that we had heard about that were problems for the analytical community.

Chairman COX. Now, I strongly support the use of TTIC as an interim step. I don't want us to drop a stitch while we are building something new at the Department of Homeland Security, and obviously TTIC is an executive creation without any Congressional authorization whatsoever. But it is filling a gap, and it is ensuring that we are doing things professionally, immediately not eventually, and there is some eventually when it comes to the creation of this brand new Cabinet department.

But my concern runs to the longer term, because the statute hasn't changed since you wrote your report. The very reason you made your recommendation, as you have just explained it, obtains today. The statute says the same thing now that it did then, the legal requirement is exactly the same now as it was then.

And so I am concerned now that there is a risk that the DCI, who has pledged his support to TTIC, is now going to have to provide support both to TTIC, and to whatever might go into Homeland Security. If we want a fusion center, having two of them doesn't exactly fit the bill, does it?

Ms. HILL. No. The whole point is to get it all in one place so we make sure that it is analyzed the right way and it is disseminated to the people who need it. I do want to just clarify that TTIC, as it exists now or is being talked about now, did not exist at the time the committees made this recommendation.

So they were making their recommendation based on what they saw as a huge problem pre-9/11 and knowing that the Congress had put in this provision about a fusion center at the Department of Homeland Security.

Chairman COX. Well, I think all of us can agree, and it is a strong inference that I draw from your testimony, that we should not, if we are anxious to fuse intelligence data, create competing sources of focus of effort, that we should not draw Intelligence Community assistance in providing analysis of terrorists threat related information, and so on, to TTIC as well as to the Department and dilute that purpose.

Governor Gilmore, you have been not only spending the last several years studying counterterrorism and our counterterrorist capabilities, but you have also been a Governor of a State with major technological, economic and military significance from a standpoint of defending ourselves against terrorism.

You were one of the three States that the terrorists thought important enough to attack. The homeland security advisory system is supposed to give us strategic and, whenever possible, tactical advance warning of terrorist threats, but it has been criticized. I would like to have your views on whether the security advisory system is effective, on whether the color system which has been derided in some corridors is working, on whether this can be improved.

Mr. GILMORE. Mr. Chairman, it seems to me that the color code is a shorthand. It is intended to be a quick, simple way of communicating a simply concept of what exactly level the country is in at any particular point in time. It has been derided because it doesn't give any information to tell anybody what to do. That is accurate. And there is also a challenge too. And that is that as we go forward and we don't have information that leads us into a red situation or a highly dangerous situation, then we are in a constant yellow state, and so there are challenges on all of that.

It would be good to have a system that can convey the most information possible, if not to the general public, at least up and down the line to appropriate elected officials, people who would have responsibility, particularly in the communities, which means that you have to give good information, to the greatest extent you can, into the States and into the localities. It doesn't have to be something where you go on the radio and define it with a color code, but the best possible information should be given to the States and to the localities. This is the challenge.

There are cultural challenges. There are cultural challenges, by the way, in the fusion center. We recommended that and examined it in the year 2002. The challenge to it is cultural less than structural.

And likewise here with this type of response, the question is, what kind of information can you get into the hands of the people who need it under the people who are actually patrolling the chem-

ical plants and patrolling the critical infrastructure areas and watching out for the streets.

To the greatest extent possible, we should give the best possible system to get the maximum information to them, and culturally there are obstacles to do that.

Chairman COX. I appreciate that. One final question for Ms. Hill. The Joint Inquiry report notes that two of the 9/11 hijackers had numerous contacts with a longtime FBI informant, yet despite this and earlier information linking them to suspected al-Qaeda members no further action was taken to investigate, detain or question either of them.

Can you explain to us in this open setting, to the extent possible, the problems that the FBI encountered within its own structure, how these men were able to hide not only from our own intelligence but from paid informants within the Islamic community as well?

Ms. HILL. Well, let me just start out briefly, and it is a complicated story. But briefly, part of what the Inquiry found was that these two individuals, Mihdhar and Hazmi, were known to the CIA and other parts of the Intelligence Community as early as January of 2000, and there was information in January of 2000 that Mihdhar had a visa to come to the United States, would likely come here. That information, as best as we can tell, was not passed to the FBI, from the weight of the evidence the Inquiry found, until August of 2001.

The CIA had information in March, I believe, of 2000 that Mr. Hazmi had in fact traveled to the United States. That information, as best as we could tell, the weight of the evidence was that it was not passed to the FBI until August of 2001.

The informant had contacts with those two individuals in the year 2000, after that information was in the CIA. However, the San Diego office of the FBI did not know about those two individuals. They didn't know the full names of the individuals, they didn't know they were coming to the United States. They had no reason to be looking for them. The informant had given the names, the first names, of the two individuals to the FBI agent that was responsible for that informant. But according to the FBI, and according to the agent, there was no reason for them to focus on those two individuals. I believe the informant described them as young Saudi youths by first name only. The agent testified he never got their last names. In August, 2001, on August 23rd, when the FBI learned the full name of the these individuals and that they had come to the United States, there was an effort, an investigation by the FBI, to find them in the United States.

However, that effort did not entail tasking FBI informants for information about those two individuals. So the informant in San Diego was not asked at that point whether that informant knew those two individuals. And it also did not entail any information about them being sent the San Diego FBI office.

The agent in San Diego who was responsible for the informant testified that had that agent gotten those names at that point, even at that late point, the agent believes he could have found them. He believes he could have, through the informant and his other sources found those individuals. He also testified that had the CIA gotten that information to the FBI and had the FBI, in turn, gotten

it to their San Diego office back in the year 2000, that FBI agent in San Diego strongly believes that if he had had the names he would have tasked his sources, and he would have found them at the time living in San Diego. Because that office would have had the tremendous opportunity of having a long-time FBI informant having contacts with those two individuals, he thinks through that informant and through surveillance, both physical, electronic, whatever, he would have used the “full-court press” in investigative techniques on those two individuals, and he believes that he would have found them.

He believes that he would have had a very good chance to crack open what the plot was and what they were doing in this country. Obviously it didn’t happen. He didn’t have that information. The information never got to the San Diego FBI until after September 11th.

Chairman COX. Well, I can’t think of a more compelling illustration of why we need intelligence fusion and sharing of information within Washington between intelligence and law enforcement between Washington, State, local governments at all levels.

The gentleman from Texas, Mr. Turner, is recognized for his questions.

Mr. TURNER. Thank you, Mr. Chairman. Governor, you have been working on homeland security for about as long as anyone I know, and you have certainly been able to develop insights that many of us have not had the opportunity to develop. I think it is always helpful to us, even though I know this calls for some value judgment here, but it is always helpful to us if you can just share with us what you think might be the two or three or four or whatever is on your priority list of homeland security tasks, that you think we really need to get done as soon as possible to make this country more secure.

Where would you tell us to place our priorities? What needs to be done that is not being done? And I heard this same question posed the other day in the Senate committee where Chairman Cox and I were kindly invited to testify. The same question was posed to Senator Rudman and Richard Clarke, and I suspect you probably won’t give the same answers, but it was insightful just to hear their views, and I would like to hear yours.

Mr. GILMORE. Congressman, one could go burrow down into this issue a level and begin to address some of the specific vulnerabilities. Ports comes to mind. While our Commission doesn’t think that it is a high likelihood that we would see a classic weapons of mass destruction used in this country, it is clear that we have to be very cautious about the issue, particularly of bioterrorism.

So one can go down and begin to address this, but—and you should, one should do that. But you arrive at a point where you begin to catalog lists of vulnerabilities. And this nation—any nation really—most authoritarian nations are not free from threat, much less free countries, such as the United States, and one as big as this country is.

So it seems to me that we have to focus on several more strategic points, and that comes down to the big question of trying to get everybody placed into a national strategy so we understand what

everybody's function is. Even to this day the localities are still divided as to whether they are going to try to get grants that come directly to them or whether they are going to go through the States.

It is clear that the national strategy and structure that has been set out would be to have that organized on a State basis. What good does it do to talk about—to argue over the question of whether chemical plants are the most vulnerable, because they are very vulnerable, but lots of things are vulnerable, railroads, bridges. One can talk all day and create a parade of potential horrors.

I think what we really have to do is focus our attention on trying to make some policy decisions. The Congress, it seems to me, and the executive branch have to make policy decisions about how you set up the proper national strategy in order to deal with what is most likely that could occur, threat assessment, as one of the Congressmen said a little while ago, and then playing off that. You understand that you may not be able to foresee every evil thing that a well-financed, militarily trained enemy could do, but you can foresee reasonably what they may be prepared to do and then prepare against that to the greatest extent possible.

The most important thing is this. How do you develop a national strategy that works with the States and create the State plans which have been directed and to make sure that those State plans take into consideration what the locals believe that they have to have in order to respond to reasonable risks, which they don't know what they are, by the way.

It seems to me that the national government has to help identify what the real threats might be so that the localities can respond and say, well, we don't need a fire truck, we need something else, and to make sure that the money that is requested and the grants that go on are appropriate to a genuine overarching, hanging together national strategy that puts money into the proper places so that you can train and exercise and prepare in that way, and that is the overarching need that we see right now.

Mr. TURNER. Well, I appreciate that observation. I know on this committee we have all shared the concern that the first task that our new Department of Homeland Security must complete as soon as possible is that national threat assessment, assessment of our vulnerabilities, so that we can develop some prioritization of what we need to be doing first, because you are correct, there are many risks that we can face, many vulnerabilities out there. But selecting the ones we need to deal with first cannot be successfully done unless we have that national threat assessment, that vulnerability assessment, and the matching of the threats and the vulnerabilities.

So I think that is a number one. I am also impressed with your comments about developing the necessary definition of preparedness. One of the things that I think we must have is a clear definition of what are the essential capabilities that our States and local governments need to respond, and I know you have spent some time working on that. I would welcome your comment on that issue as well.

Mr. GILMORE. Yes, sir. And let me refer you, Congressman, if I could, to our 1999 report, which was virtually exclusively a threat

assessment. After the 2001 attack we heard a lot of things in the papers, on the radio and TV and in the halls of Congress and everywhere about threat that did not match up to what we had said in 1999, and the Commission suggested that we do a reassessment of the threat, which we did again in our report of 2002.

So I would direct you to those. And, by the way, we didn't feel the threat was different at all when we took a second look at it in 2002.

And, Congressman, your specific question was?

Mr. TURNER. Well, I picked up your remark earlier about trying to establish a definition of preparedness, I believe is the way you expressed it. I have thought of it in terms of establishing those essential capabilities to respond that we need to have available in our States, and in our communities that would protect us in the event of—

Mr. GILMORE. Yes, sir. The strategy, Congressman, is everything. If you understand what it is you are trying to protect in this country, specifically and you understand what the locals need, only then does the grant to them make any sense. Otherwise you end up with local agencies and organizations simply following their old priorities they have always followed. That then becomes what we all know as pork barrel. I guess there will be plenty of that.

But the fact is it would be nice if we can get most of this money focused into an actual direction of a strategy against real threats. Now, that means that of course the threat picture in Montana will look different from the threat picture in Virginia, for example.

But the locals working together with the executive branch within the respective States ought to be able to create a State plan. That isn't the end of it, however. I am one who believes, that while you can create things from the bottom down, you really need top up, top down leadership also, to then make all of that harmonize so that we all understand that we are playing on the same sheet of music, and that is where I think the direction is that we are going and where we should go.

Mr. TURNER. Thank you.

Mr. GILMORE. I hope that was responsive.

Chairman COX. I thank the gentleman. The vice chairwoman, Ms. Dunn, is recognized for questions.

Ms. DUNN. Thank you very much. Ms. Hill, I wanted to ask you a question. In your recommendations for reform it emphasizes the need for the development of a national watch list for terrorists. It is my understanding that the development of this watch list has not yet happened, and I am wondering how important this component of reform is, how close are we to making it reality, what obstacles exist in its way, and ought we, DHS, ought the Department of Homeland Security, actually be its home?

Ms. HILL. Well, I think it is very important. I mean, one of the things that we saw when we did our investigation was that there were many different watch lists. As with a lot of other things in the government, we have more than one agency handling one watch list. And I think, like the fusion center the important point the committees wanted to make is that we should have all of this information together in one place. We should have a watch list in one place that people can go to and everyone can get access to

those names so that we can be sure that people do not fall through the cracks.

I have not, since the conclusion of the Inquiry, continued to work on this at the committee. I am no longer with the committee. So I have not addressed what is the current status of the watch list situation. So I really cannot, you know, speak to how far they have come along in correcting that and getting it into one agency.

But it is extremely important, because of what we found. Not only did Mihdhar and Hazmi not make it to the watch list until very late in the game, we found that after September 11th the CIA provided a lot more information to the State Department for the watch list and more individuals were watch listed after September 11th. So there was clearly some, you know, lack of getting those names to the list for use by the other agencies at a time when obviously it could have made a big difference, particularly with those two individuals.

So it is extremely important. We were told during the course of our investigation that there was anything from several watch lists to 50, 60 watch lists in the U.S. Government. So it is a big job to put it all in one place, but it should be done.

Ms. DUNN. And it is a scary term, isn't it? I think it frightens people out there until they understand how the lack of such a watch list caused us huge horror the last time.

In your testimony, you also outlined your findings that clearly point to systemic communications problems across the Federal intelligence agencies and law enforcement agencies.

On the Federal level has the Intelligence Community responded to correct those situations? And would you suggest that Congress exercise more aggressive oversight in this area, in this area or some other area, to help in the effort?

Ms. HILL. Well, both Director Tenet and Director Mueller testified in front of our inquiry, and both stated that they were doing everything in their power to increase communication and cooperation between the two agencies, and between the rest of the Intelligence Community. So we clearly were told that things were changing and things had improved.

Part of the problem is we have a huge Intelligence Community. We have, I believe, 13 different agencies and you need to have good communication and good exchange of information. Not just the top leaders have to agree to do it, but it has to filter all the way down through these agencies to the people on the front lines, to the field agents who are in the offices dealing with the Intelligence Community. As Governor Gilmore knows, it is also critically important to then get cooperation and exchange of information between our Federal community, law enforcement and intelligence, and the State and locals, who we also heard from in our investigation.

So I believe, and again, as I said, I have not continued to update and focus in depth on what is happening right now, but I believe that given the events of 9/11, given the focus and the level of interest in that, that people are clearly more alerted now to the need for that kind of exchange. I would be surprised if every piece of the problem has been eliminated, just simply because of the size of the problem. We are talking about all of the Federal intelligence agencies, the rest of the Federal Government, the gap between law en-

forcement and intelligence and then the State and local. So it is a huge area where we need to focus attention.

I think there is more attention now, more direction to share information, but we need to sustain that emphasis on information sharing.

Ms. DUNN. Thank you. May I ask the Governor a question, Mr. Chairman?

Chairman COX. Without objection.

Ms. DUNN. Governor, let me just ask you one question. We heard testimony yesterday from former Speakers Tom Foley and Newt Gingrich that was very useful in laying out why they believed this committee, the Select Committee on Oversight of the Department of Homeland Security ought to be made a permanent standing committee.

The most recent report of your panel includes the observation that Congress is, quote, still not well organized to address issues involving homeland security in a cohesive way, and certainly we have seen that overlapping jurisdictions lead to lack of focus.

I am wondering if you could expand on your recommendation for improving this oversight aspect.

Mr. GILMORE. See, Congresswoman, that is the trouble with the Commission, it just doesn't mince words. The Commission believes and has discussed over years and still believes that there needs to be the greatest concentration possible in both Houses of the Congress of oversight and budgetary authority of the Department of Homeland Security.

It is hard to set up a new department. That also has been discussed extensively in our reports, very difficult to do. Our emphasis has been on the implementation of appropriate strategy and policy. That has to be the focus, not so much the organizational aspects that can in fact get in the way of that.

If the Congress contributes to that, by having so many different committees that are dealing with different monetary aspects or different aspects of the organization, and so on, it is going to be even harder for Governor Ridge to make that Department the effective tool that I believe that he will make it be.

So, yes, our recommendation is the greatest possible concentration of these resources and assets into one, even a joint committee, but at least one committee in each House.

Chairman COX. The gentleman from the State of Washington, Mr. Dicks.

Mr. DICKS. I would point out that both of the Appropriations committees, House and Senate, have created subcommittees to do that. I think that brings some focus, though I strongly support the effort of having this as a permanent committee. You know, the one thing that always worried me about this, your Inquiry, Ms. Hill, was that there was some good work done and in one of the findings it talks about the July 10th, 2001, Phoenix FBI field office agent who sent an electronic communications to four individuals in the Radical Fundamentalist Unit, and two people in the Osama bin Laden Unit at FBI headquarters, and two agents on international terrorism squads in the New York field office.

In the communication the agent expressed his concerns, based on his firsthand knowledge, that there was a coordinated effort under-

way by bin Laden to send students to the United States for civil aviation related training. He noted that there was an inordinate number of individuals of investigative interest participating in this type of training in Arizona and expressed his suspicions that this was an effort to establish a cadre of individuals in civil aviation who would conduct future terrorist activity.

The Phoenix EC requested that FBI headquarters consider implementing four recommendations: Accumulate a list of civil aviation university colleges around the country, establish liaison with these schools, discuss the theories contained in the Phoenix EC with the Intelligence Community, and consider seeking authority to obtain visa information concerning individuals seeking to attend flight schools.

However, the FBI headquarters personnel did not take the action requested by the Phoenix agent prior to September 11th, 2001. The communication generated little or no interest at either FBI headquarters or the FBI's New York field office.

In your inquiry, what was the reason for that? That still to me is so shocking that—even though they had information going back to 1994 that an aircraft could be used, and you had these people who were highly questionable, that this did not spark any interest in either the FBI national headquarters or at their New York office, which was in charge of counterterrorism. Why is that?

Ms. HILL. Well, there were several, I guess, contributing factors. The agent who wrote that communication told us that he knew how big the FBI is, how many other things were going on. I think he used the words that he thought it would go to “the bottom of the pile,” which it pretty much did. It didn't get much attention.

Part of the problem was the FBI's electronic systems for data and sending data. There are questions whether or not it went to all of the people it should have gone to. It went to some intelligence specialists in FBI headquarters. They told us they were going to act on it, but that they didn't get around to getting back to it.

They looked at it more in terms of what case would this be relevant to. And they sent it to one field office where there was a case where it might have potentially been relevant. They weren't looking at it as a national kind of analytical product.

The New York FBI office, which was heavily involved in counterterrorism, did get it but it wasn't considered particularly unusual to the New York agents, because they knew through, I believe some of the testimony in the embassy bombing case, for example, that pilots or al-Qaeda related pilots had come to light before.

So they didn't focus on whether the pilot might be for another reason, or this might be something else. Basically, it didn't get a lot of attention. And the FBI agent in Phoenix who wrote it, of course, I don't think he expected it would get a lot of attention. That is what he told us. But he sent it up anyway.

Mr. DICKS. Did he try to follow up or go back a second time?

Ms. HILL. No, he didn't. Well, that memo went out in July of 2001. So it was within a month or two of the September 11th bombings. And he did not. Because he—as I said, he thought it would take a long time.

One of the things that we heard repeatedly throughout the whole course of this was how long it took for things to get turned around,

the problems with the FBI's data systems and electronic messaging and all of that.

Mr. DICKS. What is wrong with a phone call? What is wrong with picking up the phone and calling somebody if you have a very strong suspicion? Did he ever think about that? I know we live in an era of e-mail, but I think that sometimes people forget that you can pick up the phone and call your superior and say, why are we not doing something about this?

Ms. HILL. Well, I don't believe that he did that. And I think he would tell you, you know, that he felt he did what he could. It was about his theories. It was a theory to him. He was kind of saying, this is what it looks like to me, and sent it up with some recommendations. But I don't think—

Mr. DICKS. We had a similar situation in Minneapolis, isn't that correct?

Ms. HILL. Well, Minneapolis was a little bit different. That relates to Moussaoui, the arrest of Mr. Moussaoui in Minneapolis. And the agents, they were very concerned that he might be involved in some sort of terrorist plot with airlines. And they went back and forth with FBI headquarters on the issue of whether or not they could get a warrant and whether or not they had enough on him to move forward under FISA, and there was a misconception of what they needed to allege under FISA. They spent a lot of time looking for some connections that they actually didn't need legally. So there was a lot of that back and forth and their request never went, as I remember, never went beyond the FBI to the Justice Department.

But the interesting thing about both of those cases, and what concerned I think our two committees, was that, number one, they both occurred in the summer of 2001, which was a time when there was a very high peak threat level for some sort of terrorist attack against U.S. interests.

The Phoenix agent did not know about Zacarias Moussaoui. The agents handling Zacarias Moussaoui didn't know about the Phoenix electronic communication. And neither of them knew about Mihdhar and Hazmi, before August, coming into this country. And, of course, the FBI didn't know that in June and July because they hadn't got the information from the CIA.

So, you know, what we found, and that is the classic example of it, is we found all of those pieces, these threads of information, that if somebody had been able to see the whole picture and put this together, you know, you would have known, here we have a huge threat. We have two guys, al-Qaeda associates, coming into this country. We have another suspicious individual in Arizona, we have a memo out of Phoenix saying that he believes bin Laden is sending people for civil aviation related training.

None of those people knew all of it, none of the people who had one piece knew what all of the others had, including the agent in California who had the informant. That informant knew, among other things, and told the FBI after September 11th, that, for instance, Mr. Hazmi was going to, of all places, Arizona for flight training, for civil aviation training.

And that is where the Phoenix agent—at that time was sitting there in July of 2001 and later, with that information. None of that

was connected. And Moussaoui wasn't connected to it. So, you know, we will never know what would have happened if they had put it all together. But they certainly would have been a lot closer to seeing the big picture than what history shows that they were.

Mr. DICKS. What worries me here is you can have very good field work, but you have to have people in the supervisory level who take that information and act upon it. There have been so many situations in our history where we had the information but the people at the higher levels didn't respond to the information and didn't act and didn't do anything.

And, you know, first—President Bush I, the first thing he said after Desert Storm/Desert Shield, when the Iraqis attacked into Kuwait, was that it was not an intelligence failure, it was a failure of his administration to act because he was told by all of the leaders of the governments in the area that Saddam Hussein wouldn't make this attack. And even though we had the information, we didn't act on it.

So I bring this up, I think this is an important part of this committee's deliberations. We have got to get all of this information and do a better job of collecting, but you also have to have some people with judgment who analyze and then get it to their superiors to act upon.

And I think these examples that we discussed here show an example in this very important situation, where we had good information, but we didn't have people who acted on the information or didn't recognize the importance of the information, and I hope it is something that we continue to consider in our committee deliberations.

Thank you, Mr. Chairman.

Chairman COX. Thank the gentleman. The gentleman from Connecticut, Mr. Shays, is recognized for questions.

Mr. SHAYS. Thank you, Mr. Chairman. Mr. Chairman, thank you for conducting this hearing and thank you to our very distinguished witnesses.

When my National Security Subcommittee was holding hearings before September 11th, we had you, Governor, before our committee on more than one occasion, along with Hart, Rudman and Bremer, and all three of you agreed on the following: We have a terrorist threat. We need to develop a strategy to respond to the terrorist threat. And you only disagreed really on the nuances of how you reorganize, because you all said we needed to reorganize to implement that strategy. So we had a loud message from three very distinguished commissions.

My first question to you is: When we did reorganize, we basically did it before we really described what the threat was or developed a strategy, and do you think that we have been hindered and maybe didn't reorganize the way we should have because we did not do what we needed to do—in my judgment—which was state the strategy and state the threat and develop the strategy?

Mr. GILMORE. Yes, Congressman. I think that is a pretty good summary of where I think that strategically we may have fell behind a little bit. I would point out that there is still not a consensus yet as to the nature of the threat. Our Commission does not believe that threat of a classic weapon of mass destruction is as

great as frankly has been discussed in the newspapers and perhaps in this body as well.

But on the other hand, we have hedged. We have not ruled it out. We believe that the consequences would be so great that we have to at least take it into consideration. But the thrust of our Commission has been that we need to think more about what the capability, the true capability of the enemy is, and the true capability of the enemy is more along the lines of conventional weapons, an explosion, a bomb, hijacking a plane, hijacking a train, something of this nature, not a nuclear device or something of that nature here in the homeland.

But, yes, thinking through the strategy then lends itself I think very well to the proper type of structure that needs to go into place.

Mr. SHAYS. I had hoped that having reorganized that the Department of Homeland Security would then, even though it seemed to follow, have stated threat analysis and its strategy, to my knowledge, this has not been done.

Ms. Hill, to your knowledge has this been done?

Ms. HILL. Mr. Shays, I am not—as I said, I have not been following what has been going on within the—what we looked at was what happened before 9/11. I haven't been following up on everything that has happened since.

Mr. SHAYS. I hear you. Governor?

Mr. GILMORE. Strategy or a threat assessment?

Mr. SHAYS. Well, both the threat assessment—to—I had hoped by now the Department of Homeland Security would have stated clearly what the threat was and what our strategy is. I have not yet seen a document that does either. Have you?

Mr. GILMORE. Well, there are about eight strategies, as you know, that are in print right now: Critical infrastructure, cyberterrorism, bioterrorism, a general overarching national strategy as well. So there is a lot of work.

Mr. SHAYS. Based upon a response to what they stated is the threat?

Mr. GILMORE. Not so much. I think that we probably do need to have a clearer thought through threat assessment. Again, we have taken a couple of cuts at it for you—

Mr. SHAYS. Right.

Mr. GILMORE.—as a foundation. But that I think lends itself to—the strategy comes into clearer picture. It makes no sense to spend a lot of money preparing against something that is unlikely, when the very likely is right before you.

Mr. SHAYS. I hear you.

Ms. Hill, on the whole issue of fusion and the issue that we have one place, and it seems to me that should be the Department of Homeland Security. It is one of four pillars. It gets information from our security folks. But I happen to believe, and I am curious if you do as well, that had we just paid attention to what was said in public that we would have known about the terrorist attack?

I base that based on our hearings, but also my travels, particularly to Israel and the documents that we saw, the articles in the Egyptian newspaper about a debate among scholars before September 11th about whether it was a religious doctrine that would allow for a Muslim to, in fact, attack the Twin Towers.

So when we talk about fusion—and Governor Gilmore as well—we are not just talking about Federal, State and local. We are also talking about providing public documentation in it as well.

Would you comment, Ms Hill?

Ms. HILL. I think that public documentation and open source information is very important. I mean, ideally you would want all of the information. Because, you know, we found there was a tremendous amount of information. You know, we didn't have one single piece of intelligence that said: It is going to happen on September 11th with planes at the World Trade Center. We don't have that, but we had a whole lot of little pieces. We had a tremendous amount of information out there on the scope of the threat, on tactics. We knew these specific individuals, two of them at least, were coming into this country that ultimately ended up on these planes.

So, you know, we did have a lot of information, but it wasn't brought together. And I think open source information is also critically important. And, you know, ideally if you had a fusion center, not only would that bring in intelligence information, but also law enforcement information.

As Governor Gilmore points out, and he is absolutely right, State and local law enforcement can be a tremendous source of valuable information.

Mr. GILMORE. The central problem—first of all, you are correct, Congressman Shays, absolutely correct, about the need for open source material. Not all intelligence is secret intelligence. In fact some of the best intelligence is what the enemy tells you.

But put that aside for a moment. The critical problem is culture. The problem is within the fusion center and within intelligence organizations we have ingrained in for many decades a reluctance to share information. Hopefully the fusion center, the TTIC or whatever format ultimately survives, will gain the esprit de corps, confidence and team work to give information back and forth and to bring in the States and locals.

The central concern we hear is the States and locals say we are happy to give the feds information, but it is a one-way street, after a while we get tired of it.

Mr. SHAYS. Would either of you comment on what former Senator Hart has done with the Council on Foreign Relations in the whole sense that we are underfunding our first responders because we have not created standards, and therefore don't know how to judge what they need, and their estimate that we could be a hundred billion dollars short in 5 years?

Ms. HILL. I have—we did not look at first responders. We looked at intelligence. And I would defer to Governor Gilmore.

Mr. GILMORE. We have extensively discussed standards in our reports over the years. Yes, standards are necessary, because you have to know what kind of gas masks, what kind of materials you need and so on. But that isn't so much the central point. It is standards to do what? It is buy personnel to prepare for what? It is put together organizations to respond to what threat, and to what type of response is necessary? What kind of vehicles do you need? It is not just a matter of which vehicle.

Mr. SHAYS. Now, follow up with my yellow light. Should we require the Department of Homeland Security in the next 9 months

to do that? They are giving out money and should we be saying you are giving it out under what basis?

Mr. GILMORE. Well, they are not giving much money out, and you hear that from the locals all of the time, and I am not so sure that is bad, to tell you the truth, and it ought to go out sparingly.

Mr. GILMORE. The answer is—the question is, should the Department do it? Yeah, but they have got a lot on their plate. It is hard to put together these agencies—these disparate agencies with different cultures. I think the administrative burden is enormous, but to the extent that strategic thinking could be done by the Department under your direction, I think it should be.

Mr. SHAYS. Thank you, Mr. Chairman.

Chairman COX. Thank the gentleman.

The gentleman from Mississippi, Mr. Thompson, is recognized for purposes of questions.

Mr. THOMPSON. Thank you, Mr. Chairman. I, too, have enjoyed the testimony of both witnesses.

Taking off from Congressman Dicks' comments earlier, Ms. Hill, if that agent sent that same memo today, do you think it would be treated any differently?

Ms. HILL. I certainly hope it would. I think Director Mueller is very much aware of that situation and is very much aware of our report and has indicated in his statements that the FBI is taking our recommendations very seriously. The committees have made a long list of things that we pointed out in this report to the FBI that need to be done to improve their own internal communication and their focus this these kinds of intelligence issues.

As I understand it, Director Mueller has said that they are in fact very actively implementing reforms that he says are designed to address the same areas of problems and reform that we have recommended in this report. So I obviously have not had the opportunity since I have left the committee to be briefed on what the FBI is doing, but my understanding is that that is certainly his intent.

The other thing I would say is that, hopefully, if nothing else, by making the facts of the missteps and the lack of focus that happened before 9/11 very public and having discussed it with the agencies many times, I would certainly hope that all of them are very sensitive to these kinds of issues and are doing their best to try and prevent a similar problem in the future.

Mr. THOMPSON. Thank you.

On a broader note, if we take the 13 intelligence gathering agencies from Congress and say, well, you all should cooperate and get along and share information, do I hear from your testimony that that is only as good as the people who work for those agencies agreeing to do that?

Ms. HILL. Well, ultimately, it depends on people. It is like any part of government. It is basically made up of people. A lot of it is what Governor Gilmore has said. It is culture. Lot of the issue between intelligence and law enforcement, which has been part of this problem, was historically based on some valid legal reasons. There were some concerns. The Intelligence Community has always been very concerned about protecting their sources. They don't want to give too much to the law enforcement side, because they

don't want it to end up in a courtroom where they are going to have to disclose their sources, those sorts of legitimate concerns.

We heard, for example, that analysts in the law enforcement side were being told not to write down analysis, because analysis really is not always fact. It is analyzing and theorizing about what all of these facts may mean. We were told, and I can understand this, that sometimes analysts at the FBI were told not to write down paper analysis because the prosecutors did not want that in their files when they go to try criminal cases. Having been a prosecutor years ago, I know that there is a legitimate concern there.

So some of these things were driven by the law, by the differences between the mission and the function of law enforcement and intelligence. Some of it was driven simply by agency cultures, by agency turf. There are a lot of reasons.

Also, I think in the Intelligence Community, as the Governor said, it is true that they have a culture that is grounded in secrecy, for some very good reasons, and it is difficult for them I think to go too far beyond that. They guard their information very carefully because of the sensitivity of that information.

So there are a lot of reasons, some of them very valid, for all of this, but I think the agencies have to recognize—and I hope they do now—that we are living in a world where things changed after 9/11. We are living in a different time, and there is now a need, a very real need, for realtime information not just for people in the Intelligence Community but also in law enforcement and in State and local governments and State and local law enforcement. So we have to somehow get beyond those cultures and those legal issues.

Mr. THOMPSON. Thank you very much.

Governor, do you think as we move forward in this country is there ever or will there ever be a time when we could consider ourselves safe? And, if so, help frame how we measure it.

Mr. GILMORE. Well, as I have said in other forums, Congressman, I don't believe that the country can ever be completely secure, and I think there is a real risk here, a dramatic moment in time I think in this country when there is a dramatic risk that we will work so hard to create security that we will overlook everything else that is of value in the American system, and I am concerned about it. And the Commission I think will have more to say about this in December as well.

I don't believe that you can be completely secure. We don't think that that is the right approach. The correct approach, it seems to us, is to not focus on vulnerabilities, because everything is vulnerable unless you put it inside a wall, and even then it may be vulnerable. Instead, focus on risk. Focus on the capability of the enemy. What can they actually do? And that means that you circle back to the intelligence issue, because the better your intelligence, the better your knowledge of what the enemy can actually do, what their capability is, and then you begin to know what you need to protect against. That is the assessment that needs to be done.

In terms of measurement, I think that it can be measured. I think that the intelligence organizations, the 13 or so organizations, when they trade notes and they exchange information in a TTIC or another fusion center and reach consensus as a group, can

come to policymakers and make good decisions about the level of security of the country.

Understand, Congressman, that we can never be completely secure, and a well-financed, militarily trained enemy will try to find the vulnerabilities to the greatest extent they can, but we can reduce the risk, and we can make the country reasonably secure.

Mr. THOMPSON. Thank you.

Mr. Chairman, I have one other question.

Chairman COX. Without objection.

Mr. THOMPSON. Governor, you now moved on to another point in your life, and part of it is dealing with issues of homeland security in the private sector. I would like to know, have we established within the Department of Homeland Security the opportunities for private business to come and explain their products and wares good enough to move the issue along? Do you understand what—if we have someone who has an idea that may or may not fall within the area of homeland security, have we created within that Department a willingness to accept a point of entry for those individuals to come?

Mr. GILMORE. Let me try to answer this on two levels, if I can hold this in my mind. The direct answer is I think we are doing pretty well with that now. Governor Ridge has said that he wants to consolidate that into one office and one intake point where people can come in and look at this, and I think that we are making progress on that.

We still haven't answered the question, the relevancy of any particular product that is coming in the door. That is the challenge. Unless the strategy is set and we understand that we need sensors or we don't need gas masks as the best and highest use of our money and priorities, then there is no way for a government official to make a good priority decision about what to spend the money on. That is the central challenge I think.

Organizationally, I think Governor Ridge is pulling that together pretty well, and we all know that what is really at work here is that everybody that can create anything at this point related to homeland security is sure trying to sell it to the Federal Government as hard as they possibly can.

The second level, though, of discussion is more intricate, and it is the question of how you tie in the private sector, the owners of all the critical infrastructure in this country into a homeland security strategy when they don't work for the government. This is a more difficult issue. They actually want to do things, but there aren't a lot of systems in place to fit them in very, very well. At the end of the day, they are still accountable to their bottom line of their shareholders, and that is a different priority from the government. So that challenge remains ahead of us, and that is why we took testimony from Mike Armstrong from the Business Roundtable.

Mr. THOMPSON. Thank you, Mr. Chairman.

Chairman COX. Thank the gentleman.

The gentleman from New York, Mr. King, is recognized for purposes of questions.

Mr. KING. Thank you, Mr. Chairman.

First, if I could make a remark to Governor Gilmore, I lost more than a hundred constituents in my district. Ray Downey didn't actually live in my district, he was in the adjoining district, but he certainly was a legend, and I thank you for paying tribute to him in your statement today. It was well deserved, and I thank you for that.

Ms. Hill, I want to commend you for the work you did on this report. One of the things that struck me in reading the report and listening to your testimony today and also thinking back to September 11th is that certainly I think most Members of Congress, if not all, and many people in the executive department were also taken totally by surprise by the type of attack that occurred on September 11th, the fact that it was so coordinated, planes being used as missiles. You mention here on page 7 of your statement today that there was no—little or no analytical focus about reports of terrorist activity and aircraft as weapons. I know that Congressman Dicks touched on this.

But what I would like to follow up on is, what is your concern that there can be something going on out there today that we haven't even conceived of or is almost off the charts as this type of attack was? We hear so many random type of attacks—bridges, tunnels, subways, et cetera, agriculture—but is there—and I guess—I don't know. Maybe the question answers itself. But could there be things out there that aren't even being conceived of right now by the intelligence agencies or by the policy planners?

Ms. HILL. You know, this is just my personal opinion. I think 9/11 has shown they can think totally out of the box and they can think of things that are unimaginable to many people. So I would say, you know, yes, it is very possible they could be thinking of something. I mean, I don't know that for a fact, but I am just going by what they have done before. I think they would look for our vulnerabilities and look for things that we are not looking at.

So part of the problem is this is a huge country. We have many ways of people coming into this country, of container cargo coming in ports and airports and we have huge borders and everything else. Plus we have the issue of whether there are people already here that are working for groups like al Qaeda. So there are tremendous vulnerabilities, and I don't think you can guarantee that even the best intelligence is going to absolutely know every single possible tactic that some terrorist out there has thought up.

It is a very scary thing, it is a very hard thing to defend against, and you just have to have the best intelligence, the best sources, the best cooperation and sharing of information that people can have and look at it all and put it all together the best you can and look for what makes sense in terms of where will they go next.

Mr. KING. You have spoken about trying to change the culture in various agencies and departments. There was a story in this week's Newsweek where it talks about how many people in the FBI, CIA over the years became gunshy, the fact that they are afraid of doing something this year which will be questioned later on.

How much fear is—how much of a problem do you think it is, let's say, that an agent or an analyst would be afraid to propose

something in the fact that it would be ridiculed or put down as crazy and the impact of that? Has that mentality changed at all?

Ms. HILL. Well, I don't know that the mentality has changed. I will tell one of the issues that we saw on analysis was not so much that they were gunshy, but one of the things we heard complaints about was that there was a tendency in intelligence to go with the majority view on analytical product. In other words, if there was a dissent, the dissent would not be fed into the final product, so that what ultimately would come out would be an analysis based on what most people thought made sense.

The problem with that in intelligence, is that because intelligence is a dynamic thing, it changes, you keep getting new intelligence every day. What happens if you lock it into the majority view at that point and it continues to go down the chain like that, later when some new intelligence comes in that may actually change the whole picture if you had linked it with what they were saying originally, you have lost that ability to do that. You have kind of locked yourself into a view that may not get to the whole picture and may not get the most creative way to look at intelligence.

So we heard about that as a problem, and we also heard, and the committees found, that there just was not a lot of real creative, aggressive analytical products on this particular issue.

Mr. KING. One final question. I know it opens up a whole new area, and maybe we can talk about it some other time, but the whole issue of sleeper cells. I have had numerous discussions with police intelligence people in New York City who say that they are getting very little cooperation from, for instance, people within the mosques. Again, I know that opens up whole other issues about separation of church and state, et cetera, but how significant an issue do you believe the sleeper cells are, and from your analysis, is there any way of estimating, again, the extent of it, how many of them are out there, what parts of the country?

Ms. HILL. Well, that I probably cannot do. What I can do is tell you, certainly based on what we saw and what we have—

Mr. KING. Do you think it is a real threat, I guess?

Ms. HILL. Yes. What I was going to say was, yes, I do. I think there was intelligence before 9/11, and we cite it in the report, that suggests that. For instance, regarding Khalid Shaikh Mohammed there was a June, 2001, report that said that he had been traveling to the United States recruiting individuals to come here and to establish contacts with colleagues already here.

There was also an FBI analysis that we cite in the report that talks about the hijackers having a web of contacts in this country. The Phoenix agent testified that he believed his theory that there was a support network in this country for al Qaeda. There was information the FBI received—it is mentioned in the report—after September 11th from an al Qaeda associate who said that basically he believed they were trying to do multiple attacks in this country and that there were people positioned in—already positioned in this country—that they could call on to assist for those types of plans.

So there is a wealth of information I think, based on what we saw, indicating that there very well may be terrorist sleeper cells

or a support network in this country. The report goes on in great detail about the fact that we found, from our review of FBI and CIA files, that the hijackers had contacts with at least 14 different individuals in this country, all of whom had been known to the FBI previously through FBI counterterrorist investigations or inquiries. So these were not just individuals that had perfectly clean backgrounds. These were individuals that the FBI had reason to believe were connected with terrorist groups to start with. Lo and behold, what we found in those files was that the hijackers themselves were having contacts with those individuals.

So I think it is a very serious issue, and I think it needs to be absolutely prioritized in terms of investigation and focus by our law enforcement community and our Intelligence Community.

Mr. KING. Thank you, Ms. Hill. Thank you, Governor.

Chairman COX. The gentleman from Florida is no longer with us. The gentelady from Texas, Ms. Jackson-Lee, is recognized for purposes of questions.

Ms. JACKSON-LEE. Thank you very much, Mr. Chairman; and thank the witnesses very much for the work that you have done. Forgive those of us who have been in and out because of other meetings and hearings that we have had to participate in.

But I do want to raise the question and probe what probably has been probed during my absence by other members, and that is what the Intelligence Community knew and how they acted upon it. In particular, Ms. Hill, I would like to refer to the testimony and statement that you presented and just explore that with you a little bit.

The paragraph that I am reading now—and I would like to even—I am not sure if you read verbatim your statement, but I would like to refer to it on page 3:

“Although prior to September 11th relevant information that is significant in retrospect regarding the attacks was available to the Intelligence Community, the Community failed to focus on that information and to appreciate its collective significance in terms of a probable terrorist attack. As a result, the report concludes that the Community missed opportunities to disrupt the September 11th plot by denying entry to or detaining would-be hijackers, to at least try to unravel the plot through surveillance and other investigative work within the United States and to generate a heightened state of alert and thus harden the homeland against attack.”

Let me just add a few more comments before I ask you to respond. On page 8, I think something positive occurred, or at least you noted something that we have improved on, from my perspective. Because my perspective is that we are not safer than we were after 9/11. We are certainly more aware. We are far more aware than we have ever been. So that is a positive.

On page 8 you note, “Prior to September 11th, U.S. counterterrorism efforts operated largely without the benefit of an alert, mobilized and committed American public. The assumption prevailed in the U.S. Government that attacks of the magnitude of September 11th could not happen here and, as a result, there was insufficient effort to alert the American public to the reality and the gravity of the threat.”

I think the establishment of the Homeland Security Department, this Homeland Security Committee which I am hoping and praying will be a committee of action, and also what has occurred in our local jurisdictions on the home front, the neighborhoods, the cities, the counties, is a great success. We are aware, we are alert, we are sensitive, but it begs the question whether or not we have made any strides as relates to this singular question of whether or not September 11th could have been prevented, not whether it could have been prevented 2 months out, 3 months out, but let's just take the whole ball of wax. Let's take it on several years of encountering and asking the question whether or not it could have been prevented.

I say that because parallel to this hearing—and might I say a day before the second anniversary of September 11th—we certainly owe those who lost their lives not a tribute that I know that they will get but certainly a response that their lives were not lost tragically in long, extended—in vain.

So I believe we are at a point that gives me discomfort that we have not yet answered the question. I believe that this whole issue warrants public hearings around the Nation, in large cities, in small cities, that the classified information—I wonder the basis of its classification inasmuch as the tragedy has already occurred. I might be convinced if some of that classified information triggers into ongoing investigations.

But the bottom-line question of this, we have, as my colleague noted, several intelligence entities that exist. We do have sort of this infrastructure that is across the street from the Homeland Security or the Pentagon, which I am not sure anyone understands what they do or what they do. So the question to you is, have we answered this question of complete absence of connectedness with the Intelligence Community?

General Sanchez said, "I don't need more troops." And whether I disagree or agree with him, I need better intelligence in Iraq. We need better intelligence here in the United States, and I don't see where we have made the improvement where the action items have occurred on this.

My last point is I note in this material that the individuals, two of them, that came over did not get on a watch list to the FBI until August of 2001. What a tragedy. What a crisis. Where are we today in terms of correcting that and paying true tribute to the thousands who lost their lives of whom we will pay tribute to tomorrow on 9/11, the anniversary?

Ms. HILL. I can talk about—certainly you have raised a lot of the issues that were problems before 9/11. What has happened today, are we there, have we fixed all those problems, I do not know to what extent all the reforms have been put into place, because my job was looking at what occurred before 9/11. I have not done the same kind of in-depth scrub that we did on pre 9/11 on the issue of what has happened since 9/11. That was not our mandate.

I can tell you several things that are positive.

One is I would agree with what you said. One of the problems we noted was that the American public was not really alert to this threat, and I think the American public is now, if for no other reason than because of September 11th, very alert to this, as is the

law enforcement community and the Intelligence Community. So our alert level has clearly risen.

In terms of sharing information and actual reform at the FBI, as I mentioned a few minutes ago, Director Mueller has stated he is very familiar with our report and what we have found and the problems, and he has said that he is actively pursuing reform within the FBI in the areas the committees have recommended.

Again, I have not had the opportunity to be briefed as to what is being done, so I can't speak to that, but I know that is his stated intent.

On intelligence, I believe Senator Graham in the Senate has actually introduced legislation that would implement the actual recommendations of the report. In the House I believe Chairman Goss and Ms. Harman, the ranking member, are actively pursuing with the agencies through oversight hearings and through the authorization bill ways to address the issues that we raised concerns about in the report. So there is a lot of activity focusing on this.

Again, I feel really unqualified to give you a flat opinion as to whether what is going on is actually solving the problem, because I have not examined it and I haven't done the type of review that I would feel more comfortable with before I made that conclusion. I do know that people are aware of what we have said and they are addressing it and they are saying they are addressing it. Now, how good that is, I can't tell you at this point.

Ms. JACKSON-LEE. Mr. Chairman, Governor Gilmore would like to—he is raising his hand to answer.

Chairman COX. By all means.

Ms. JACKSON-LEE. I appreciate your indulgence.

Mr. GILMORE. To Congressman Jackson-Lee, we had a raging debate on this topic in the year 2002 on the Commission, and the issue was what type of reform needs to be done in order to bring better domestic intelligence into play. There was a—usually, our Commission operates on a consensus. The goal is to achieve consensus. That is usually the right answer. We failed on this one.

The argument had two camps. The one camp was led by me that believed that the FBI should be reformed and made to create a real intelligence division instead of the simple law enforcement function that it seems to specialize in.

The other camp was led by Paul Bremer, who said that we should not have the FBI do this, that they are not capable of doing it and never will be, and therefore we should create an MI-5 organization akin to the British model to conduct domestic terrorist information in this country.

Bremer won that debate. I put a dissent in the report. It is actually very entertaining stuff, if you wanted to take a look at it.

But the fact of the matter is that since that report was published the Director has appeared twice before our Commission. I think he is very concerned about the report of the Commission and the recommendation. He has been over to explain to us that he is trying to change the culture at the FBI, not to diminish its law enforcement capacity but to add to it a domestic intelligence capacity.

But the jury is out. They will need to change their way of thinking about this. They will need to put good agents into counterterrorism and give them good career paths and promote

them just the way that they would somebody that wants to bust a counterfeiter or a drug addict.

So there is a lot to be done here, and we will have to see, but it is clear that Director Mueller intends to create that capacity to make it a success in the United States.

Ms. JACKSON-LEE. Mr. Chairman, if I would, I will end. I don't know if you were listening, and I just hope that this might be the work of the committee. I think this is a very striking point that the Governor has made, despite the debate in his committee.

I can't imagine the FBI in the 21st century without an antiterrorism or intelligence component balancing—and maybe where Ambassador Bremer was going was civil liberties and our concerns there, but we can balance that. But here is a domestic Federal law enforcement that we have always looked to for excellence and that they are deprived of the opportunity to create an excellent intelligence unit that really would have been helpful pre-September 11 so they would have been able to digest what they have gotten even though they got it a few days out, 2 days out, they might have been able to move quickly.

I don't think we can operate without that kind of component, and it is interesting that that is one aspect that maybe has been dragging its feet because of this debate that has been going on. I think it is crucial for this committee.

I thank the chairman very much. I don't know your comment on it, but I hope we can work on it and the ranking—

Chairman COX. I thank the gentlelady.

The chairman recognizes himself for 5 minutes. I would like to return to this question of the fusion center.

I was recognizing a member on this side, but there isn't any reason. You are quite right. I will yield instead to the gentlelady from the Virgin Islands, Dr. Christensen, for 8 minutes of questions.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

I was encouraged to see the Governor raise his hand to answer a question after almost 3 hours. I am glad to see that you are still being patient with us and willing to answer.

I want to thank the chairman and the ranking member for holding this hearing on this very appropriate day, the eve of the second anniversary, and I would say certainly it is important on this second anniversary for us and the American people to know what has been done to reduce our risk of a terrorist attack and to improve our ability to respond. I just wish that we had a better report 2 years out.

Governor, I will say I agree with you on your priority of the need for structure and framework, for assessment and a clear definition of what capabilities are needed for us to develop. I think that has been a great source of frustration to us on the committee but even more so of course to those who are on the front lines.

I have about two or three questions, and I think they are pretty brief.

The first one, the Commission recommended that the President clearly define the responsibilities of the Department of Homeland Security and other Federal entities. He noted that this was especially important in the case of a bioterrorist terrorist attack. To your mind, have these roles and responsibilities been clarified?

Specifically, if we were to have a bioterror attack today, would we know who was in charge?

Mr. GILMORE. Well, that is really an excellent question and one that has troubled the Commission greatly. In the very first year of our Commission, in 1999, when we did the threat assessment we raised that fundamental question, who is in charge, because we didn't think that answer existed at that time.

I think that you have today a dual role in the bioterrorism area, and that is the Department of Homeland Security and the Department of Health and Human Services at the same time. We made a recommendation that I think that HHS—I will have to look back now and make sure my memory serves correctly. I think we recommended HHS be the lead agency in conjunction with DHS, or it may have been the other way around. I am not sure. But we have to define this. We have to define exactly who will, in fact, be responsible in a bioterrorism attack.

If I could just take one moment, Mrs. Christensen, to say this, that while we think it is exceedingly difficult for a terrorist organization to get their hands on a bioterrorist weapon, we think that is a hard thing to do and hard thing to deliver and there has been a history of it being difficult to do, if it did occur it would be the worst possible thing that could happen. You could put a police tape around a nuclear explosion, but you can't around a contagious disease that was put into the population.

There are ways of dealing with us. HHS is certainly the agency with the greatest expertise. I think the correct answer would be to have a clear designation as to which agency will be in response and which one will be in support. Clearly, the expertise rests with HHS.

Mrs. CHRISTENSEN. Thank you.

Being representative of a U.S. territory, I wanted to also ask, based on the Commission reports and the one to come, are you satisfied that the needs of territories and also native American reservations are being adequately factored in as we assess where we are and where we need to be?

Mr. GILMORE. Well, that is another excellent question. The Indian reservations ought to be part of the State plans developed wherein those reservations reside. They ought to be included within those State plans, as to whether or not there is a substantial risk that needs to be taken into consideration in the State plans.

Territories are a different issue, and I am afraid I can't answer whether the territories have been included in the structure and planning for a territorial plan which would then fit into the national strategy when it finally emerges, but I will say that I think you are right. They should be. And I suspect they are.

Mrs. CHRISTENSEN. We are. I just want to always make sure that we are considered when all of the discussions are taking place, because many times we are an afterthought, and this is too important for us to be an afterthought.

One recommendation involved fund reimbursement to State and localities and the private sector for expenditures to increase security. I am a ranking member on National Parks, Recreation and Public Lands, and they were recently cited for their lack of security, not providing adequate security. I have heard from the Direc-

tor that they may take up to \$65,000 a day during an Orange Alert to beef up security, and that comes from other funding needs within the Park Service.

Is it also your recommendation that agencies include in their budget a specific set-aside for homeland security in addition to the regular costs that they need to cover?

Mr. GILMORE. You mean for national parks?

Mrs. CHRISTENSEN. Well, I think other agencies face the same problem. There hasn't been anything in their budget for—when the need arises, for them to increase security because we are on a higher alert, and that is what has happened in the Park Service. And it is a significant amount of money that is expended. You talked about States, locality and the private sector, but the departments haven't—they have been taking it out of their normal budget.

Mr. GILMORE. I think that—I am not sure the Commission has heard this, in all honesty, but my reaction is I think I am at this from a little different direction, and it is not simply to fund everybody that feels like that they have a security need. To the contrary, I think you have to instead look at the national strategy and ask yourself where your priorities are and then what you can reasonably afford to fund without breaking the back of the economy of the Nation.

The enemy has said that they wish to break the economy. We can do that for them by spending ourselves into oblivion trying to protect every vulnerability. So I think that a careful assessment has to be done as to the greatest vulnerabilities and the greatest priorities so that we move down the line until we run out of money and then at that point we just have to stop and say that we are stopping.

Mrs. CHRISTENSEN. Thank you, Governor. I agree with you.

Chairman COX. Thank the gentlelady.

Governor Gilmore, your fourth report describes the importance of a fusion center located outside the CIA. You went so far as to recommend that the CIA analysts that work for the fusion center should not be detailed but permanently employed. As you know, we have TTIC up and running. We have referred to it throughout this hearing. We also have an intelligence analytical capability being built at the Department of Homeland Security in response to the statutory command that the fusion center be constructed there. What do you make of the fact that we have two competing fusion centers now under construction?

Mr. GILMORE. The Commission's report recommended—it was, I believe, the first to recommend a fusion center, I think, and we did that on December the 15th of 2002, prior to the President's State of the Union address. We always envisioned that there would be one, that it would not be centered in any one agency.

Now I happen to be a personal fan of the CIA, but the concern that the Commission has expressed is that the fusion center should not become loyal to one agency only but instead should be an independent stand-alone with the capacity to do the kind of independent work with people permanently detailed to it so that they were not accountable to or answerable to some other agency somewhere and that all agencies of the Federal Government should then become customers of the one independent stand-alone. That is the

recommendation of the Commission, and duplication we think would be counterproductive.

Chairman COX. That goes to the nub of my question, because there is, quite obviously, duplication in construction of a fusion center in DHS and construction of a fusion center at TTIC. Your recommendation—because it made clear that this was not supposed to be under the direction of the CIA—also is not therefore reflected in TTIC which is under the direction of the DCI.

The President, when he announced in his State of the Union in January of this year the creation of TTIC, also put out materials from the White House contemporaneously that stated that TTIC would not be headquartered at CIA. But of course it is, and it will be until sometime next year under current plans.

When the Congress wrote the Homeland Security Act, we considered at great length many of the issues that undoubtedly you wrestled with when you were debating, for example, whether to have an MI-5 in the United States. Homeland security is about what goes on here inside the United States domestically. Homeland Security, the Department, is going to have an enormous liaison function with State and local agencies, law enforcement and otherwise. So the question arises, if this is going to be CIA, would we want the CIA to be more involved in our domestic life for a variety of reasons which you would immediately recognize. The Congress chose not to do that and yet we find ourselves now with—despite a Presidential promise that TTIC would not be headquartered at the CIA, despite the legislation that is on the books, something running persistently in the opposite direction.

From a policy standpoint, the easiest way to capitalize on this, look at it as a glass half full, it strikes me, is that we can appreciate what is being built at TTIC, recognize that if it is not going to be permanent it certainly is substantial and of indefinite duration and that perhaps this should be made to fulfill the mandate of the Department and that TTIC and what the Department is building could be merged so that ultimately TTIC can fulfill the statutory mandate in the Homeland Security Act if it is under the control not of the DCI but the Secretary. What is your view of that?

Mr. GILMORE. Congressman, let me be very clear. The Commission has never for an instant lost sight of the fact that it is a recommending body only, that the policy decisions have to be made by the elected officials in the Congress and in the executive branch, and we have no priority ownership on any of this.

We recommended an independent body and stated our reasons as to why we did that. If it is the wisdom of the Congress to place in the Department of Homeland Security in order to centralize those functions in one place, that is a decision that rests with the Congress.

Chairman COX. Let me ask the question, then—and I appreciate that response, and I recognize that neither what has happened nor what seems likely to happen in the future is a precise reflection of your recommendations, although having recommended a fusion center early on, I think you can take great credit for what—as a result of Ms. Hill's work—is obviously a recommendation that solves a lot of problems we have experienced.

But let me ask both of you this question. Is there any role assigned to TTIC at present that DHS could not itself perform?

Ms. HILL. Again, I am not—I have not studied in depth how TTIC is being set up or what they precisely are doing, so I don't know that I am the best person to answer that. I do agree that we need to have one center. I don't see much point in us having two. And wherever that center is, it needs to have the authority and the clout, if you would, to get the agencies to share information. That is the most critical thing.

Mr. GILMORE. Congressman, this is a very complicated question, because a fusion center clearly can do what it is supposed to do wherever it is if it is properly managed and given very specific direction. I guess our concern has been that if it is placed in one location that other agencies will not get the same dibs on the capacity that others might or the same access to it or the same attention from it that others might.

Clearly, we all understand the importance of the Department of Homeland Security having total access and, furthermore, even tasking capabilities we believe for gathering information and having information analyzed. We place a great high value on the Department of Homeland Security and certainly we would understand the Congress's approach on that. Our only reservation just is simply to make sure that whoever is in it that they—within their culture—provide the same access and information and attention to all the agencies in equal measure.

Ms. HILL. Mr. Chairman, I would just add one thing on this and just point out that our report does point out, at least before 9/11, that the DCI, even though he was the head of the Intelligence Community, was—I believe the words the report uses, was “unable or unwilling to marshal all the resources of the Intelligence Community.” So the point being that, at least prior to 9/11, the DCI was not able even to bring the Intelligence Community together, let alone those beyond the Intelligence Community. So perhaps that has been fixed, but that was certainly the case before 9/11, and we need to make sure whoever runs the fusion center has a much better ability than that, at least in terms of what was going on before 9/11, to bring together all of that information.

The other issue that did come up that is I think relevant to this point, we heard from many Intelligence Community analysts some concerns about the CIA was not really taking in their viewpoints on analysis. There was some, I guess, agency back and forth between CIA and other parts of the Intelligence Community in the analytical area. So that—if the CIA is going to run TTIC, that has to be addressed and fixed, because that was a problem before 9/11.

Mr. GILMORE. Congressman, if I could add to that thought. I guess the concern is that, knowing the intelligence agencies, including the FBI, they are going to be very excited about the prospect that analysis is going to be done elsewhere. The FBI was most unhappy with the idea that their information would be analyzed elsewhere, and I think that is just going to be a problem that you are going to have to confront and cope with and find the best possible solution. If you place it in DHS, at least surely they will get access to the information which they must have. What you have to guard against then is all the other agencies that contribute to us decide

to go their own way and the fusion center just becomes basically a sterile function. I think that is the administrative challenge.

Chairman COX. Finally, Governor Gilmore, shifting gears dramatically, your Commission has recommended concerning immigration and border control as an element of our national security strategy, of our antiterrorism strategy and you have served as Governor of Virginia which issued fraudulent drivers' licenses to the 9/11 terrorists. I know you have an abiding interest as a result of that because so many of them did have Virginia driver's license, and the GAO yesterday issued a report that many States now have a problem with their drivers' licenses being easily forged and that if the driver's license is going to serve as identification to buy weapons, to board airplanes and so on, we have got to take this much more seriously.

They issued a classified report. Some of it was made public yesterday. I wonder if you wanted to comment on that.

California, as you know, legislation was just signed on Friday that in my view takes a giant leap backward, that liberalizes the requirements for obtaining a driver's license and does away with the only reliable identifier that was part of the California system which was a social security number, substituting an IRS-issued number which the IRS says it can't back up. I wonder if you want to comment on that.

I know also the White House has an ongoing effort to look at the question of uniform Federal minimum standards for State drivers' licenses.

Mr. GILMORE. The irony is that the policy of my administration was to be as public service oriented as we could possibly be, and then that opened up a vulnerability which the enemy exploited.

I think that it is common sense that you would want to have a reliable identity indicator before a driver's license is issued.

Chairman COX. Governor, let me interject. I don't want anyone to infer from the way I put the question that the driver's license requirements in the State of Virginia were anything that you constructed as Governor. I mention only that you have an interest in this because you are from Virginia.

Mr. GILMORE. I understand.

Chairman COX. You are the leading expert in our counterterrorism efforts.

Mr. GILMORE. It seems to me that the objective here is to make sure that there is an identifier, and I would think that it becomes a Federal issue, doesn't it, as to whether the Federal Government is going to require a certain base level requirement to the States on a driver's license. That becomes a pretty tough Federalism issue.

But if some States are moving to the point where they are basically going to not have reliability indicators, then they are going to raise a public policy issue that the Congress probably has to address.

Chairman COX. I appreciate that.

Mr. Turner, would you like to be recognized for a second round of questions?

Oh, I am sorry. Mr. Meek has returned.

The gentleman from Florida, Mr. Meek, is recognized for purposes of questions.

Mr. MEEK. Thank you, Mr. Chairman.

I want to apologize for dipping in and out, and I kind of faked you out to the fact that I was back in, but I want to thank both of our panelists for being here, and I want to apologize. I have been trying to squeeze in a few meetings on the side here, but I have been watching on the monitor some of your responses that have been responsive—responses to questions that I had prior to reading your prepared statements.

I know that we are here today to really talk about the functions of government and how can we work together to prevent terrorist attacks in the future. As we start looking at communications, that was one of the main functions, I would assume, even breaking through the walls of who is talking to who as it relates to our intelligence institutions. But I know that the people of this country place a very strong role in being able to help the Intelligence Community as it relates to our information about strange events that may take place, either local government or Federal Government.

Y'all have listened to—you have had hours and hours and hours of hearings, different individuals coming in to testify, either be it classified or unclassified. I am very concerned about the communications from not only our Intelligence Community but I would say our law enforcement community to general Americans about what is going on.

I know that the Department of Homeland Security has performed many test sites throughout the country in trying to get our first responders in practice to be able to respond to the different terrorist events that could take place in this country. We want to prevent that from happening. But what is going to happen as it relates—and I think the biggest exercise we have had thus far was the power outage in New York and the Northeast. I saw via television many individuals not knowing where to go, what to do or how to leave Manhattan, since it was the most televised city in the Northeast due to the fact that it is the hub for many of the national television and cable outlets. No one knew what to do and when to do it.

Now, law enforcement did the best that they could do by directing individuals to either take a ferry, or whatever the case may be, but there was a lot of what we saw on 9/11, a lot of folks standing on the corner telling people where to go, how to get there, people not knowing what to do. They had phone service.

I introduced, with some other Members of this Congress, a bill called the ready-call bill that would allow the Homeland Security or local law enforcement to contact people at work, contact individuals at home or wherever they may be to give them some instructions about, number one, what is going on, number two, what they should do to protect themselves and hopefully, number three—not necessarily in this order—not to hinder first responders from responding to wherever they need to respond to.

I want to talk a little bit about—I wanted you to respond a little bit to the fact, both of you, of what you heard out there and how we can communicate better with Americans, number one, as it relates to knowing about terrorist events or them reporting possible

terrorist individuals or sleeper cells or what have you to our Intelligence Community; and, number two, as it relates to how can we communicate with the public better so it doesn't hinder first responders being able to contain a possible terrorist event that may take place.

Ms. HILL. I would only say—you know, just comment that one of the things that we did find in the 9/11 inquiry was that, in fact, before 9/11 the American public had not really been sufficiently alerted to the threat of bin Laden and the very high, immediate, peak-level threat that we had in 2001.

The committees drew the conclusion—and this was an area where we got a little beyond intelligence, because it was more a policy issue and we didn't dwell at length on it, but they did make the comments that an alert American public is a tremendous benefit to our intelligence and law enforcement authorities.

It is not just that the public has the right to know. It is also that the public can help in the fight against terrorism by simply being alert to things that they may see that otherwise may go unnoticed by our law enforcement and intelligence people.

So that is an area before 9/11 where we found more could have been done to alert them to the type of threat we were facing, the immediacy of that threat and how serious it was.

Having said that, in terms of what we can do the next time for when something happens to better prepare people, my own personal viewpoint is I think a lot of it must be in educating the public not just on the scope of the threat but on the emergency preparedness regarding what they should be doing before the event happens. And we obviously didn't look at that in the course of our review. That is something I am sure Governor Gilmore can speak more to.

But it is important to keep the public alert. It is important to let them know what some of the intelligence is to the extent you can do it without harming national security, and that is where the whole issue, that we saw again and again, of classification comes in. There were so many threats coming in about bin Laden in 2001. Yet a lot of that was lost in terms of getting it to the public, and I think part of it was because of classification. Most of that information was classified until we had our hearings in 2002 and got some of that information declassified to release to the American public, but it was late in coming.

Mr. MEEK. Very quickly, how do you see—Mr. Chairman, if I may, how do you see that—our government preventing that from happening in the future? Because, as a past law enforcement individual, no one wants to tell the next person about what they know, especially after Director Tenet was kind of thrown from the train earlier this year as it relates to information that he provided to the White House. And that is so very, very important.

Sometimes we hold things so close to our chest to the detriment of the country, and we have to make sure that we get that information out. Because just like in Iraq when we were able to find Saddam Hussein's sons by someone just walking into one of our task forces and saying, guess what, I know where they are, maybe they walk into wherever it may be, could be somewhere in Florida, a po-

lice department, somebody will say, well, carry on about your business, sure.

Ms. HILL. Right. An alert public can really provide a lot of valuable information, but they have to be alert to do it. They have to know there is a threat.

The committee has recommended—there is a recommendation in the report—that the whole issue of classification be reviewed both by the President and the Congress, with an eye towards looking at ways to get more realtime information not only to our State and local authorities, our law enforcement agencies, our intelligence agencies, but also to the public.

You know, having just gone through 7 months of the declassification of this report, I can tell you, my own personal view is that we classify an awful lot of material beyond where we need to classify it.

In my prior life, when I worked on the Senate Subcommittee on Investigations years ago, we did a hearing on security clearance and classification I believe in the mid 1980s, and one of the findings at that hearing was that too much was classified. I think that is still true, and it is very hard to get some of this stuff declassified, but there are valid public interests in getting a lot of this information out to the American public. That is what these committees felt was the case, and that is why we spent 7 months trying to get a lot of this declassified in our report.

But that needs to go beyond the post mortem and go to threat information. The danger is that you never want to give people threat information that causes them to later doubt your credibility and say, well, you were overdoing it. You are scaring people. So there is a very fine line, and I am not saying it is easy. It is very difficult, but we need to find that fine line so that the public gets an accurate and clear picture of what the threat level is.

Mr. GILMORE. Congressman Meek, if I could just add to that, I would certainly concur that we have to find the best ways to communicate the best information we can to the locals so that they are in a position to communicate to the public with their feet on the street when the time comes that the crisis occurs, that they are alert to the plan and exactly what type of planning is necessary, and they have to be heads up. They have to know earlier than just all of a sudden it falling on them. So that ability to communicate up and down the line, Federal, State and local, is very critical.

The second piece is the complicated question of how do you deal with the communication with the public. This is going to continue to be a matter of a lot of discussion about how you do this. I personally think that the best thing to do is to give the best possible information we can as to what the actual threat is so that the public is aware of what the actual threat might be.

We are not doing that in—the popular media is not doing that today. They are focusing on the vulnerability, and instead saying to the American people, we are vulnerable, we are vulnerable, we are vulnerable. And we are, but unless the enemy can actually use that vulnerability against us, it is not really a threat.

So, for example, I have seen an awful lot of hyping on a lot of these popular shows about certain things that could happen theoretically, but unless the Intelligence Community believes that there

is a practical reason to believe that the event could occur, it is not fair to the American people to tense them all up and make them think they are going to die next morning from a contagious disease when there is no evidence that there is one that is possible against the American people. This is complicated stuff, the second half of it.

Mr. MEEK. Just in closing, Mr. Chairman, Governor, I know exactly what you are saying; and, Ms. Hill, I hear what you are saying also as it relates to tensing the American people up. I mean, my constituents, they don't know what color it is. They just know we went up a color and what does that mean. Do I fly? Do I stay home? Do I pray? What do I do?

But I think that the real issue is making sure that we can break through and allow the American people to play a role in this. What works for local law enforcement in any given community in preventing crime is an educated and also responsive public. The public doesn't feel that they can communicate not only with our Federal agencies, because people, nine times out of ten, they don't know who to call or where to go.

Making sure that we work with those agencies and sharing information, not putting anything to the side, number two, being able to—when I mention communicating with the public, if the power went out, we don't know why it went out, but this is what you should do, and this is where you should go.

I mean, in New York, the City of New York, they are putting together a report—and I am interested in seeing it—they did have phone service. Someone could have called them from an emergency center and said, this is the way you leave the island of Manhattan, and this is what is working, these are the outlets that are taking place. And they have a plan.

So that is what I was mainly addressing. I was thinking through the hours and hours of testimony that y'all have heard, and if your staff or anyone has heard anything to what I am trying to get more information on as it relates to communications, I will be more than happy to have that, because I think that it is important that we inform the American people on what they should do in a time of national emergency.

Mr. GILMORE. Yes, sir. I think we can agree that people of New York did awfully well in that blackout. That could have been a really bad situation, and the people in the City of New York took it in stride. I guess they are used to seeing everything, aren't they?

Chairman COX. I thank the gentleman. This brings our hearing to a conclusion. The September 11 anniversary is a particularly poignant and sad remembrance, but your work has helped us bring constructive change out of tragedy, and I want to thank you for that.

Ms. Hill, your leadership on the Congressional Joint Inquiry of the House and Senate Intelligence Committees has been extremely valuable. To the extent you have been able to declassify your work, the public can now access it on the Web. It is very a unhappy document to read but a very instructive one as well.

Governor Gilmore, your continued leadership as chairman of the Congressional Advisory Panel is a most welcome contribution. You have contributed to the Congress in so many ways and to the exec-

utive branch. Even during your tenure as Governor you were moonlighting in other capacities, and I just am amazed at your ability to do so much and to carry so much responsibility. I want to thank you for it.

I can't think of any better way to summarize and conclude our work today than to read the conclusion of your testimony in which you admonish us to always be cautious as those who are responsible for the Nation's security not to simply redefine away our freedoms in the name of security. It is preparedness that must be defined, not our definition of freedom that has already gained its meaning by the blood of American patriots, including those who died on September 11th.

Many of the members of this committee when you said those words commented, you have got it just right. That is why we are here. So we shall, of course, meet again between now and the next September 11th, but thank you in realtime for what you have done and for the help that you have given the Congress and the American people.

The hearing is adjourned.

[Whereupon, at 5:47 p.m., the committee was adjourned.]

MATERIALS FOR THE RECORD

QUESTIONS SUBMITTED FOR THE RECORD FOR THE HONORABLE JIM GILMORE, III

Questions from the Honorable Dave Camp

1. In your opinion, do we have adequate recruitment and training capacity to meet human intelligence needs? What are your recommendations for improving our human intelligence capacity?

[No Response received by the Committee.]

2. How can Congress assist DHS and intelligence agencies in creating "a seamless system for the intelligence community and law enforcement for storing and exchanging information"?

[No Response received by the Committee.]

3. Governor Gilmore, your commission noted the importance of coordination with the private sector in preparing and responding to terrorist attacks. Could you please comment on your recommendations for improving participation, inclusion, and communication between DHS and the private sector?

[No Response received by the Committee.]

Questions from the Honorable Jim Turner, Ranking Member

1. Several agency officials from the Department of Homeland Security, the FBI, the CIA, and the Terrorist Threat Integration Center have testified to this Committee that information sharing between government agencies is improving. However, state and local officials who have appeared before our Committee have pointed to continuing problems, a position borne out in a GAO report issued on August 27, 2003 that shows that no level of government is satisfied with the current status of information sharing. In addition, there remain questions on how many security clearances are needed for state and local officials to handle sensitive intelligence information.

Based on your commission's work, who at the federal level needs to make the changes necessary to improve the flow of information to state and local officials? Are there barriers to information sharing that the Commission has identified that Congress can help to remove?

[No Response received by the Committee.]

2. You recommended that DHS should be able to levy requirements on other intelligence agencies to help it carry out its mission. To your knowledge, has DHS levied such requirements on the Intelligence Community? What types of requirements should the DHS be developing? What is your sense of how DHS is interacting with other members of the Intelligence Community? Has this been done adequately?

[No Response received by the Committee.]

In addition, , which should DHS be able to levy the same type of requirements for information from the private sector owns and operates many of the potential ter-

rorist targets in the country? If so, how should DHS go about getting that information? Has such information been flowing to date?

[No Response received by the Committee.]

3. The Homeland Security Act included several mechanisms for the Department to conduct various analytic tasks. These include providing Secretary Ridge with an Advisory Committee, calling for a “Homeland Security Institute” to perform studies like RAND did for the Pentagon in the Cold War, and drawing upon academic expertise by establishing university centers. From your expertise as Chairman of a terrorism advisory commission, what recommendations do you have for gathering and implementing suggestions from the private sector and academia to improve DHS operations?

[No Response received by the Committee.]

QUESTIONS FOR THE RECORD FOR MS. ELEANOR HILL

Questions from the Honorable Dave Camp

4. In your opinion, do we have adequate recruitment and training capacity to meet human intelligence needs? What are your recommendations for improving our human intelligence capacity?

[No Response received by the Committee.]

5. How can Congress assist DHS and intelligence agencies in creating “a seamless system for the intelligence community and law enforcement for storing and exchanging information”?

[No Response received by the Committee.]

6. The Joint Inquiry reported that there was a lack of implementation of new technology within the Intelligence Community and a lack compatible technologies and databases between agencies. I would appreciate your comments on achievements being made in these areas and recommendations for further progress.

[No Response received by the Committee.]

Questions from the Honorable Jim Turner, Ranking Member

1. The Joint Inquiry found problems with classification and information sharing. This Committee has heard from several agency officials from DHS, FBI, CIA, and the TTIC about how information sharing is improving and how they are disseminating threat information to state and local officials. But the Committee has received a different impression when speaking to state and local officials. On August 27, 2003, GAO released a report with detailed surveys that show that no level of government is satisfied with the levels of information sharing.

First, how did the Joint Inquiry determine that information sharing, especially with non-federal entities, was inadequate? Based on your investigations, how might the Department of Homeland Security and the rest of the Intelligence Community, implement better information sharing measures? According to the Joint Inquiry, are there steps that this Congress can take to remove barriers to information sharing and/or excessive classification?

[No Response received by the Committee.]

2. Which of the Joint Inquiry recommendations could be implemented in the short term—say, in the next year? Do you see evidence that this is happening?

[No Response received by the Committee.]

3. The Joint Inquiry found that our domestic intelligence capability was lacking, but didn’t recommend a clear course of action in response. While the FBI is nominally in charge of domestic intelligence collection, DHS is, at least in theory, building the relationships with first responders and the general public that you would want for domestic intelligence. What specific lessons on the collection and dissemination of domestic intelligence emerged from the Joint Inquiry’s recommendations as relate to the Department of Homeland Security?

[No Response received by the Committee.]

4. The Joint Inquiry called for a government-wide strategy for combating terrorism. The Administration has produced eight strategies, including ones for homeland security, national security, and combating WMD. A strategy sets priorities and should have some connection to budgets and resources. Do you believe that the existing strategy documents constitute the government-wide strategy for combating terrorism called for by the Joint Inquiry?

[No Response received by the Committee.]