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ASSESSING AMERICA'S COUNTERTERRORISM CAPABILITIES

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ASSESSING AMERICA'S COUNTERTERRORISM CAPABILITIES

TUESDAY, AUGUST 3, 2004

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:02 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Susan M. Collins, Chairman of the Committee, presiding.

Present: Senators Collins, Coleman, Specter, Shelby, Lieberman, Akaka, Durbin, Dayton, Lautenberg, Carper, and Levin.

OPENING STATEMENT OF CHAIRMAN COLLINS

Chairman COLLINS. The Committee will come to order. Good morning, today the Governmental Affairs Committee holds its second hearing on the recommendations of the 9/11 Commission calling for a restructuring of our intelligence organizations. The 9/11 Commission provides a highly detailed picture of our intelligence structure on that tragic day. Ultimately, our Committee's responsibility is to recommend how this structure should look in the future. We must act quickly to consider this report and to complete our assigned task of reporting legislation by October 1, and indeed we are acting quickly, starting with our hearing last week.

As we move with both deliberation and speed, we should use the Commission's recommendations as a thoughtful and informed guide. That does not mean that this Committee will be a rubber stamp. The final shape of our restructuring legislation will be determined by what we learn at these hearings. The informative and insightful testimony we heard last Friday from the Commission Chairman, Tom Kean, and the Vice Chairman, Lee Hamilton, was a very good start. The testimony focused, as our Committee has, on the two most important recommendations regarding the Executive Branch; first, establishing a National Counterterrorism Center and, second, creating the position of a National Intelligence Director.

Yesterday, the administration acted on some of the same issues that we are considering today. I applaud the President's swift and decisive action to move forward with some of the Commission's most significant recommendations. The fact that two of its highest priorities are the restructuring recommendations before this Committee emphasizes the importance of our work.

The two panels of witnesses before us today, one from the intelligence agencies and the other from the 9/11 Commission staff, will discuss the improvements that have been made to our post-9/11 in-

telligence capabilities, the weaknesses that still remain, and the solutions that we should consider.

Progress has been made since September 11. The CIA's Counterterrorism Center and the FBI have undergone substantial changes. The Department of Homeland Security and the Terrorist Threat Integration Center are entirely new. But as one of our witnesses here today, TTIC Director John Brennan, told the 9/11 Commission in April, "We, as a Government and as a Nation, are not yet optimally configured to deal with the terrorist threat."

We can learn a lot from TTIC since, in many ways, the proposed National Counterterrorism Center would be a more robust version of it. This Committee has closely followed the development and implementation of TTIC, and it has held two hearings on its structure and its authority, an issue that has been of particular interest to Senator Levin and me.

The proposed center would be a "Super TTIC." If this more powerful version is to succeed, it must get what it needs, both in resources and in its place in the priorities of the agencies that collect intelligence. At times, getting the resources it needs, especially the expert and experienced personnel, has been a challenge for TTIC.

The difficulty in resolving the resource and authority issues involving TTIC demonstrates how important it is for Congress to clearly define in legislation the authority and parameters of the proposed center. The intelligence structure that stood for 50 years during the Cold War performed well under many administrations and many different agency heads. The new intelligence system we are building for the war against terrorism must do the same. We have an obligation not just to the Americans of today, but to Americans of generations to come to accomplish that mission.

Senator Lieberman.

OPENING STATEMENT OF SENATOR LIEBERMAN

Senator LIEBERMAN. Thanks very much, Madam Chairman. Thank you again for calling this second hearing on the 9/11 Commission recommendations so quickly.

The new specific terror threats that we have learned about in the last few days, the very fact that this morning this capital has checkpoints for vehicular movement that were not there yesterday, reminds us that we do not live in normal times, and therefore our normal ways of doing business here on Capitol Hill are no longer acceptable. Our country is under threat of attack, so we must move, and move rapidly, to repair what the 9/11 Commission has documented as the vulnerabilities in our intelligence apparatus.

I thank you, Madam Chairman, for taking quick and decisive action in scheduling these hearings. Our hearings will be followed, as we have learned, by many hearings throughout this month, both here in the Senate and on the House side.

Yesterday, President Bush also acted quickly in response to the 9/11 Commission Report. I was pleased and encouraged that the President has embraced the two major recommendations of the 9/11 Commission, which is the creation of a National Intelligence Director and the creation of a National Counterterrorism Center.

I am troubled that the recommendation the President is making for the National Intelligence Director appears to lack the powers

that the Commission wants it to have, particularly the power over the budgets of the constituent intelligence agencies. And I think the challenge to us here, and in some ways the danger, is that we will create a new office, but not give it the strength to overcome the stovepiping and lack of clear command authority that the 9/11 Commission documented.

Today, we are going to focus on the second of the two major recommendations, the creation of a National Counterterrorism Center. There, the President's recommendation seems to embrace the Commission's proposal, although there are a lot of details for us to fill in, hopefully, in cooperation not just with one another, but with the White House.

After studying what went wrong before September 11 and how the Federal Government has responded since September 11, the Commission concluded that we are still not maximizing our intelligence investments and efforts to perform our most important task, which is protecting the security of the American people from Islamist terrorist attack. The Commission found that there are still stovepipes, a lot of work going on within the stovepipes, but often not sharing of information between them and no one in charge, as Governor Kean and Congressman Hamilton said to us in testimony last Friday.

In its report, the 9/11 Commission concluded that a number of intelligence problems—for example, uncoordinated watch lists, the failure to share information, the failure to connect dots—made it more difficult for the United States to foresee and stop the terrorist attacks of September 11.

In the place of those weaknesses that they saw, the Commission recommends this National Counterterrorism Center, designed to forge an unprecedented unity of effort, as the Commission describes it, against Islamist terrorism. It would replace the time-worn, Cold War-era stovepipe approach. All the information available to our government about terrorist threats to our homeland, whether from the CIA, the FBI, State, and local officials or open sources would be shared and analyzed in this one place to stop terrorists.

But the National Counterterrorism Center, as recommended by the 9/11 Commission, would not only be a fusion center, it would also be a command center for domestic and foreign joint intelligence planning. And this is a very significant, in some ways revolutionary, change. After integrating all sources of information, the center would analyze and shape strategies to stop terrorists in their tracks before they are able to do damage here in America.

The National Counterterrorism Center would not execute those operations, as I understand the Commission recommendation, but would help map the plan, call the plays and assign operational responsibilities to the appropriate agencies. For the first time, one entity would be able to look across agency boundaries and the foreign-domestic divide to make sure that intelligence is being shared, that joint plans are in place and that those plans are being implemented. And someone, the Director of this center, will be accountable, finally.

The National Counterterrorism Center, as I read the 9/11 Commission's report, should be seen by comparison to the Pentagon as a unified combat command, and the Director of the center would

be the unified commander of our intelligence forces in the war against Islamist terrorism. It is very important I think to separate, for clarity, this Counterterrorism Center, which is focused on the war against Islamist terrorism and the National Intelligence Director overhead who oversees that terrorism center's work against Islamist terrorism, but also all of our intelligence apparatus, foreign and domestic, dealing with weapons of mass destruction, particular regions of the world, particular problems that we are concerned with.

So this is a bold approach, as the Commission acknowledges, but no one can seriously argue, after the 9/11 Commission Report, that the current approach has been adequate to meet these radically new Islamist terrorist threats of the 21st Century, and no one can argue that the threat we face is not grave and demands this kind of imagination and bold action.

So, Madam Chairman, I look forward to hearing the views of our witnesses today on the Commission's recommendation on this Counterterrorism Center. We have before us commanders, in their own right, of the front-line intelligence troops in the war on terrorism.

I know that there are questions about the proposal the Commission has made. I have some questions myself, but what I know most of all is that the status quo failed us on September 11, and unless we change it, it will fail us again, for when everyone is in charge, no one is in charge; when everyone is calling their own plays, there is no team, and the defense of the American people suffers as a result. Thank you, Madam Chairman.

Chairman COLLINS. Thank you.

I want to welcome our first panel of witnesses. This panel consists of officials from four of our most important intelligence agencies. I am very sure that their experience and expertise will help the Committee complete the task before us. I want to thank each of you for your long commitment to public service. Each of you have served honorably and well, and we very much appreciate your joining us today.

John Brennan is the Director of the Terrorist Threat Integration Center, known as TTIC, the intelligence agency created by the President in the aftermath of the September 11 attacks. I recently had the privilege of visiting TTIC several weeks ago. I think I was the first official visitor to your new headquarters, and I was very impressed with the work that is being done.

John Pistole is the executive assistant director for Counterterrorist and Counterintelligence at the Federal Bureau of Investigation. Again, this Committee has a long relationship with Mr. Pistole. We have worked together on several issues, including the terrorism financing investigation.

Lieutenant General Patrick Hughes serves as assistant secretary for Information Analysis at the Department of Homeland Security. We welcome you here today as well.

And, finally, we will hear from Philip Mudd, the deputy director of the Central Intelligence Agency, who clearly plays a key role.

We welcome all of you, and we are going to begin with Mr. Brennan.

TESTIMONY OF JOHN O. BRENNAN,[1] DIRECTOR, TERRORIST THREAT INTEGRATION CENTER

Mr. BRENNAN. Good morning, Chairman Collins, Senator Lieberman, and Committee Members. It is an honor to appear before you today to talk about the Terrorist Threat Integration Center, TTIC, and the President's decision to establish a National Counterterrorism Center.

As this Committee knows, the President has embraced the Commission's recommendation for the creation of a centralized organization to integrate terrorist threat information. Yesterday, in the Rose Garden, the President formally announced that he will establish a National Counterterrorism Center and take other actions designed to continue the process underway since September 11, 2001, of strengthening America's ability to win the war on terrorism. This is a natural extension of the work and successes the administration has already achieved through the establishment of TTIC.

In his State of the Union speech, in January 2003, the President called for the creation of an integrated center to merge and analyze all threat information in a single location. On May 1 of last year, that vision became a reality with the stand-up of TTIC. Over the past 15 months, TTIC has endeavored to optimize the U.S. Government's knowledge and formidable capabilities in the fight against terrorism.

For the first time in our history, a multi-agency entity has access to information systems and databases spanning the intelligence, law enforcement, homeland security, diplomatic and military communities that contain information related to the threat of international terrorism. In fact, TTIC has direct access connectivity with 26 separate U.S. Government networks, with more networks coming on-line, enabling information sharing as never before in the U.S. Government.

This unprecedented access to information allows us to gain comprehensive insight to information related to terrorist threats, to U.S. interests at home and abroad. Most importantly, it enhances the government's ability to provide this information and related analysis to those responsible for directing, disrupting, deterring and defending against terrorist attacks.

In addition, there currently exists within the TTIC joint venture real-time collaboration among analysts from a broad array of agencies and departments who sit side-by-side, sharing information and piecing together the scattered pieces of the terrorism puzzle. These partners include not only the FBI, the CIA and Departments of State, Defense and Homeland Security, but also other Federal agencies and departments, such as the Nuclear Regulatory Commission, Health and Human Services and the Department of Energy.

As envisioned by the President, this physical integration of expertise and sharing of information enables and empowers the key organizations involved in the fight against terrorism. Collectively, they are fulfilling their shared responsibilities in a fused environment, doing business jointly as TTIC. This fusion and synergy will be further enhanced when CIA's Counterterrorist Center and the

[1] The prepared statement of Mr. Brennan appears in the Appendix on page 73.

FBI's Counterterrorism Division co-locate with TTIC in the coming months.

This integrated business model not only capitalizes on our respective and cumulative expertise, but it also optimizes analytic resources in a manner that allows us to cover more effectively and comprehensively the vast expanse of terrorist threats that will face the homeland and U.S. interests worldwide for the foreseeable future.

This integration of perspectives from multiple agencies and departments represented in TTIC is serving as a force multiplier in the fight against terrorism. On a strategic level, TTIC works with the community to provide the President and key officials a daily analytic product on the most serious terrorist threats and related terrorism information that serves as a common foundation for decisionmaking regarding the actions necessary to disrupt terrorist plans.

Rather than multiple threat assessments and disparate information flows on the same subject matter being forwarded separately to senior policymakers, information and finished analysis are now fused in a multi-agency environment so that an integrated and comprehensive threat picture is provided. If there are analytic differences on the nature or seriousness of a particular threat, they are incorporated into the analysis.

As is evident, the Terrorist Threat Integration Center embodies several of the characteristics envisioned by the 9/11 Commission Report for the proposed National Counterterrorist Center. TTIC is an existing center for "joint intelligence, staffed by personnel from the various agencies" and well-positioned to "integrate all sources of information to see the enemy as a whole." It is likely for those reasons that the Commission recommends that TTIC serve as the foundation of a new National Counterterrorism Center. As a longtime proponent of structural reform of the Intelligence Community, I fully support the integration concept and the establishment of a National Counterterrorism Center.

In the weeks and months ahead, I look forward to working with TTIC's partner agencies, the Congress and the White House to build upon TTIC's strong foundation and create a National Counterterrorism Center. The potential benefits of a National Counterterrorism Center are enormous. So too, however, are the challenges associated with government transformation. I have experienced those challenges firsthand over the past 15 months in the establishment and development of TTIC. Together, we will need to determine how to implement the National Counterterrorism Center in a thoughtful and evolutionary manner so that we do not adversely affect ongoing activities in the global war on terrorism which are so ably led by my colleagues on this panel. We all have a special obligation in this regard.

In conclusion, I believe the benefits to be gained from the integration concept, as envisioned by the President and called for by the 9/11 Commission, strongly support the creation of a National Counterterrorism Center, and I look forward to working with you to implement a national counterterrorism system that maximizes the security and safety of all Americans wherever they live or work. Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Mr. Pistole.

TESTIMONY OF JOHN S. PISTOLE,[1] EXECUTIVE ASSISTANT DIRECTOR FOR COUNTERTERRORISM AND COUNTERINTELLIGENCE, FEDERAL BUREAU OF INVESTIGATION

Mr. PISTOLE. Thank you, Madam Chairman, Senator Lieberman, and Members of the Committee. I appreciate the opportunity to be here today and to address you. I would like to take a brief opportunity to address the work the FBI did with the 9/11 Commission in my introductory remarks here.

As you are aware, the FBI has worked closely with the 9/11 Commission and its staff, and we commend it for its extraordinary efforts. Throughout the process, we have approached the Commission's inquiry as an opportunity to gain further input from outside experts. We took its critique seriously, adapted our ongoing reform efforts and have already taken substantial steps to address its remaining concerns. We are gratified and encouraged that the Commission has embraced our vision for change and recognized the progress that the men and women of the FBI have made to implement that vision. We agree with the Commission that much work remains to be done and will consider its findings and recommendations as we refine our continuing transformation efforts.

Following the September 11 attacks, Director Mueller implemented a comprehensive plan that fundamentally transformed the FBI with one goal in mind, establishing the prevention of terrorism as the Bureau's No. 1 priority. He has overhauled our counterterrorism operations, expanded our intelligence capabilities, modernized our business practices and technology and improved coordination with our partners. In terms of priorities, Director Mueller established a clear set of 10 national program priorities that ensures that all terrorism-related matters are addressed before resources can be dedicated to other priorities.

To implement these new priorities, since September 11, we have increased the number of special agents assigned to terrorism matters by 111 percent, the number of intelligence analysts by 86 percent and the number of linguists by 117 percent. We have also established a number of operational units and entities that provide new or improved capabilities to address a terrorist threat. These include things such as the 24/7 Counterterrorism Watch or CT Watch, the National Joint Terrorism Task Force, the Terrorism Financing Operation Section, deployable "fly teams" which lend counterterrorism expertise wherever it is needed, and we have played a key role in establishing the Terrorism Screening Center and Foreign Terrorist Tracking Task Force, and of course have added substantial assistance to the Terrorism Threat Integration Center. We have also created the Terrorism Reports and Requirements Section, the Counterterrorism Analysis Section and other aspects of the operational side of the FBI which has allowed us to perform our duty.

We also centralized management of our CT program at Headquarters to ensure consistency of CT priorities and strategy across the organization to integrate CT operations domestically and over-

[1] The prepared statement of Mr. Pistole appears in the Appendix on page 77.

seas, to improve coordination with other agencies and governments and to make senior managers accountable for the overall development and success of our CT efforts.

In terms of the intelligence program, the FBI is building an enterprise-wide intelligence program that has substantially improved our ability to direct strategically our intelligence collection and to fuse, analyze, and disseminate our terrorism-related intelligence. After passage of the USA Patriot Act and the issuance of related Attorney General Guidelines, and the ensuing opinion by the Foreign Intelligence Surveillance Court of Review that brought down the wall that sharply limited the ability of law enforcement intelligence officers to share information, we quickly implemented a plan to integrate all of our capabilities to better prevent terrorist attacks. Director Mueller elevated intelligence to program-level status, putting in place a formal structure and concept of operations to govern FBI-wide intelligence functions and establish Field Intelligence Groups—or FIGS—in every field office.

The new workforce. The FBI is actively working to build a workforce with expertise in intelligence. While much remains to be done, we have already taken substantive steps to ensure this transformation. On March 2 of this year, Director Mueller adopted a proposal to establish a career path in which new special agents are initially assigned to a small field office and assigned to a wide range of field experiences. After approximately 3 years, agents will be transferred to a large field office, where they will specialize in one of four program areas—intelligence, counterterrorism and counterintelligence, criminal matters, the traditional work of the FBI or cyber matters—and will receive advanced training tailored to their area of specialization. We are in the process of implementing this new career track now.

We are also establishing a formal intelligence officer certification that can be earned through a combination of intelligence assignments and training. When fully implemented, this certification will be a prerequisite for promotion to the senior ranks of the FBI.

We have also implemented a strategic plan to recruit, hire, and retain intelligence analysts. The bureau has selected veteran analysts to attend events at colleges and universities, as well as designated career fairs throughout the country. We have executed an aggressive marketing plan, and for the first time in FBI history, we are offering hiring bonuses for FBI analysts.

In our special agent hiring program, we have updated a list of critical skills we are seeking in candidates to include intelligence experience and expertise, as well as foreign languages and technology.

We continue to grow the Field Intelligence Groups—or FIGs—established in all 56 field offices and are on track to add some 300 intelligence analysts to the FIGs in fiscal year 2004. The FIGs conduct analysis, direct the collection of information to fill identified intelligence gaps and ensure that intelligence is disseminated horizontally and vertically to internal and external customers, including our State, local, and tribal partners. We currently have 1,450 FIG personnel, including 382 special agents and 160 employees from other government agencies.

It is important to note that the FBI's intelligence cadre is not limited to intelligence analysts, but also includes agents, language analysts, surveillance specialists, and others. It takes all of these specialists to perform quality intelligence production at the FBI. The FBI's plan to create a cradle-to-grave career path for intelligence professionals at the FBI parallels one that has existed and functioned so well for our agents and has been codified in our Concept of Operations for Human Talent for Intelligence Production.

To support information sharing, each Joint Terrorism Task Force (JTTF) has a special agent or intelligence analyst dedicated to producing raw intelligence reports for the entire national security community, including State, municipal, and tribal law enforcement partners and other JTTF members.

Understanding that we cannot defeat terrorism without strong partnerships, we have enhanced the level of cooperation and information sharing with State and municipal law enforcement, and through our 84 Joint Terrorism Task Forces and dissemination through vehicles such as the FBI Intelligence Bulletin, the Alert System, and the Terrorist Screening Center.

We also improved our relationships with foreign governments, in both law enforcement and intel services, by building on the overseas expansion of our Legat Program, which the Congress has supported so vigorously, by offering investigative and forensic support and training, and by working together on task forces and joint operations.

Finally, the FBI has expanded outreach to minority communities, and in concert with DHS, has improved coordination with private businesses involved in critical infrastructure and finance.

As the Commission points out, we have much work still to do, but we have made great progress and continue to move forward in accordance with a clear plan. With the support and understanding of lawmakers and the American people, I am confident we will be successful in completing our transformation and ultimately prevail against terrorists and all adversaries who do harm to our Nation.

The FBI looks forward to an ongoing public discussion of ways to support further information sharing and collaboration in the intelligence and law enforcement communities and thanks the 9/11 Commission and this Committee for your service.

Thank you for inviting me here again today. I look forward to any questions you may have.

Chairman COLLINS. Thank you. General Hughes.

TESTIMONY OF LIEUTENANT GENERAL PATRICK M. HUGHES,[1] ASSISTANT SECRETARY FOR INFORMATION ANALYSIS, DEPARTMENT OF HOMELAND SECURITY

General HUGHES. Good morning, Chairman Collins, Senator Lieberman, and distinguished Members of the Committee, I am privileged to appear before you today to discuss the role of the Office of Information Analysis at the Department of Homeland Security and the context of the 9/11 Commission and yesterday's announcement by the President to support the advent of the National

[1] The prepared statement of General Hughes appears in the Appendix on page 81.

Intelligence Director and the establishment of the National Counterterrorism Center.

It has been my honor to serve in the U.S. Intelligence Community since 1970. During that period, many changes have occurred. Many changes have been the focus of our best efforts to gather and provide the information our Nation needs to defend, protect and sustain our way of life. Many of the changes that have occurred, however, have been driven some by technology, but many by success and unfortunately some by failure. I, personally, believe it is important to remember some of the successes over those years.

Since September 11, we have not had a major attack in the United States, but we have seen such events from afar, and we know that we can suffer an attack again. I see the next evolution of the U.S. Intelligence Community that we are now beginning in that long and complex context. What makes this period and the changes we are discussing today so important is the fact that our homeland is, indeed, directly threatened and the consequences of that threat are so critical to our future. Thus, we all want to get the details of whatever changes we make right. The pathway to the transformation of our Intelligence Community is just beginning.

At the Department of Homeland Security, we are working hard to coordinate and integrate the intelligence and information necessary to protect our people and our critical infrastructure. Our efforts are dependent for success on our Federal partners, notably the Terrorist Threat Integration Center, the Central Intelligence Agency, and especially in the domestic context, the Federal Bureau of Investigation, and on our partnerships and interaction with the States, localities, and municipalities of our country, the tribal groups and interaction with the private sector and, of course, with the citizens of this great Nation.

We still have much work to do, but we have made tremendous progress. And the dedication and devotion of duty of those who do the work of intelligence at the Department of Homeland Security is unparalleled. Our goal will be to continue this landmark work by supporting and participating in the National Counterterrorism Center and by supporting and working with the new National Intelligence Director toward our common purpose to defeat terrorists and prevent terrorism here in our homeland.

Thank you very much for the chance to address you this morning. I am looking forward to your questions.

Chairman COLLINS. Thank you. Mr. Mudd.

TESTIMONY OF PHILIP MUDD,[1] DEPUTY DIRECTOR, COUNTERTERRORIST CENTER, CENTRAL INTELLIGENCE AGENCY

Mr. MUDD. Thank you, Madam Chairman, Senator Lieberman, and others here. This is really a privilege to be here today.

We are now years into a war with the terrorist network whose members planned and conducted the attacks of September 11. With the 9/11 Commission recommendations available to us now, we have a critical piece in place that helps us toward a better organization of our agencies as they engage in a war that is likely to last, in my view, for many years.

[1] The prepared statement of Mr. Mudd appears in the Appendix on page 89.

The President yesterday announced in the Rose Garden that he will establish a new National Center and take other actions designed to continue the process underway since September 11, 2001, of strengthening America's ability to win this war. I believe the President's establishment of this National Center will build on the concepts already in place in TTIC and the DCI Counterterrorism Center which I help manage. This government has the most powerful counterterrorist capability on the planet. We must commit to ensuring that we coordinate effectively across the government so that we attack and destroy this target with a unified approach.

A National Counterterrorism Center, coordinating across the U.S. Government's analytic and other elements, will strengthen this effort, in my view. Assigning responsibilities across the government through NCTC planning could ensure that missions are clear and accountability well-defined. A center that could improve the link between foreign intelligence and homeland defense would be a valuable addition.

In short, the Kean Commission is right in focusing on the importance of collaboration and cooperation across the government and right to ask for an entity that is charged with ensuring and facilitating cooperation.

As the President said, this remains a Nation in danger and at war, so as we try to improve our intelligence capabilities, I would recommend that we ensure that we protect what works well along the way. The President is right in counseling care: In the midst of calls for great change, we are prosecuting a war with great success. Since September 11, we have made strides toward partnerships across and beyond the government, including the DHS, the CIA, the FBI, and the U.S. military and foreign partners, steps that have given us a powerful weapon against this adversary.

The CIA is a flexible organization, and we operate in that fashion so that we can adapt quickly to changes in world events or patterns we observe in this enemy. Since September 11, with the help of the Congress, we have had more resources to fight this war. We have closer collaboration with law enforcement. We are supporting not just military units from Washington, we are living with them, we are fighting with them, and we are sharing intelligence with them on the battlefield. We should look at additional change in the context of the substantial change we have already undertaken.

The challenge posed by al Qaeda and its affiliates remains daunting. Despite the increase in resources we have committed to this mission, the combination of the global reach and relentless drive of this enemy means that we are fighting this war every day on many fronts, around the globe, with officers who are stretched. This war is hot. And due to the operational successes of the officers in CTC, the place I manage, and our partners in this government around the planet, the volume of information we have flowing in is huge.

We are succeeding against this adversary because of the dedication and capability of our officers. I salute these officers. They are heroes to me. We also succeed because of partnerships we have strengthened in recent years. We have joined forces with our colleagues in law enforcement and the armed services to make this country safer. We see the results today in terrorists dead or cap-

tured. That said, this adversary, as we saw over the weekend, remains a deadly threat to us around the world. And so are other terrorist groups.

This cooperation I have mentioned across government is reflected in the number of detailees from other agencies that we have in the Counterterrorist Center and in the way the DCI has directed us to fight this war. For example, the Acting Director has continued the practice of chairing a meeting each evening that includes not only the CIA officers but also representatives from other agencies across the U.S. Government. Part of what makes that meeting successful is the ability of these individuals to reflect the richness of their home agencies, each of which brings unique talents, capabilities, authorities, and perspectives to the table.

The alliances we have worked to build during the past 3 years, including the global relationships that we cultivate, are critical. This war requires close cooperation with law enforcement and military entities that have capabilities that the CIA does not and should not have. As we study proposed changes, we need to ensure that change improves our alliances with these partners, law enforcement and military, and with the Department of Homeland Security, which has helped link us critically with State, local, and private sector authorities. The details of the Commission's proposals are not specific enough for me to judge their impact on our ability, for example, to retain close coordination with the officers who represent the FBI within the Counterterrorist Center. But what I do know is that this partnership with people like the Bureau is an integral part of counterterrorism operations and the way that the adversary has lost. We need it to continue in the Counterterrorist Center and to expand upon it in the new National Center.

Let me offer a few additional thoughts based on CIA's experience with counterterrorism operations since CTC was founded in 1986. We need clear, clean, short lines of command and control. Opportunities to roll up a terrorist or prevent an attack demand immediate action. This is a war of speed.

Analysts in the center are critical to its operations and critical to keeping policymakers apprised of current and future threats. The synergy between analysts and operations officers is the great strength of the Counterterrorist Center, and the information-sharing partnership between analysts and operators in the CTC could not be stronger. Our analysts reflect the day-by-day, and sometimes minute-by-minute, pace and scope of our operations, and our operators understand the target better by virtue of their partnership with analysts.

This partnership has created a unique fusion: Our analysts may write intelligence for the President one day and help operators interview a terrorist the next. And we have many who do so. Counterterrorism tasks require a combined application of knowledge and tools in ways that sometimes do not allow us to distinguish between analysts and operators. The center I help manage needs officers like these to sustain its energy and effectiveness. So as we work to build the new National Center, I want to make sure that we enhance the important partnerships like the ones we have now in the center.

My perspective from the trenches of this war is that my colleagues and I welcome organizational change that will help us accomplish our mission. We welcome a dialogue on what change is needed. And, finally, I want to thank you for listening to what I have said today about the proposals you are considering, and I want to offer from myself personally whatever I can do to help you implement this initiative. Thank you.

Chairman COLLINS. Thank you. We will now begin a 10-minute round of questions.

Mr. Brennan, I want to start with you. I very much appreciate hearing your strong support today for the creation of a National Counterterrorism Center which, in many ways, will build on the TTIC model. But I want to go back to the statement that you made to the Commission in your testimony in April where you said that, in your judgment, the Federal Government was not ideally configured to deal with the terrorist threat.

If you were going to design the intelligence structure for the U.S. Government, what would you recommend?

Mr. BRENNAN. I would recommend that there be an opportunity to understand all of the different parts of the U.S. Government involved in intelligence. It is an exceptionally complicated, complex system of many different components doing various parts of the mission.

One of my concerns is that over the years there has been the development of individual initiatives in different parts of that community to include individual statutes that have set up different types of initiatives and departments that have not taken into account fully the overall architecture that needs to be in place to make sure that all the different parts of the Intelligence Community work together in a fused and integrated manner. As the President talked about his support for a National Intelligence Director, I think it is taking into account the tremendous breadth and depth of the Intelligence Community and the need to ensure that there is appropriate engineering of the different parts of that complex architecture.

And what my recommendation would be is that just like Goldwater-Nichols, which really revamped the entire military structure, which took many years on the Hill here—it took about 4 years before Goldwater-Nichols was actually passed—that understanding of those different parts of that very complicated system are fully understood and are put together and optimize the contributions of each. The 9/11 Commission Report provides a high-level view of some of that architecture, but there really is tremendous engineering that needs to go on to make sure we understand the connections, the intricacies, the mutual dependencies that go on.

So my recommendation is that it needs to take into account the many different and, in fact, growing elements of the Intelligence Community right now to make sure we do not lose any of the synergy and we build upon it. So my comment about we are not optimally configured is because we have not taken that step back to put together that system of systems that allows all those different parts to work together as seamlessly as possible.

Chairman COLLINS. In your scenario, would you have a National Intelligence Director?

Mr. BRENNAN. In my scenario, I would have somebody at the top who is able to oversee and orchestrate the many different elements, like the President raised yesterday, the concept of a National Intelligence Director. I don't want to say that would be a position like in the diagram shown in the 9/11 Commission because I have some disagreements with what is in the 9/11 Commission Report. I don't think some of those recommendations take into account how these different pieces need to fit together. But I do endorse the concept of having somebody at the top, yes.

Chairman COLLINS. Mr. Mudd, I want to get a better understanding of how disputes are resolved in the current system. It is the issue of who makes the final call when there is a dispute over intelligence tasking.

For example, let's say that the United States has a satellite that is trained on Iran and the CIA wants to have that satellite moved to oversee a possible new al Qaeda training camp in Afghanistan. But the Department of Defense says, no, it is really important that it remain trained on Iran.

Under the current system, who resolves a dispute over where a satellite should be positioned or where resources should be allocated to collect intelligence?

Mr. MUDD. I am not an expert on satellites. We spend a lot more time on human operations. Let me try that same question with human operations and give you a perspective.

I don't see many disputes. I see a lot of conversation, and the conversation goes like this: When we are operating overseas, typically, if we are in a wartime experience, as we are in Afghanistan and Iraq, we provide support to the U.S. military with the capabilities we have. When we are running foreign operations overseas to collect intelligence and conduct covert action, typically that is something that is run by the Central Intelligence Agency with the support of other agencies. And then when you have domestic intelligence collection capabilities, that is typically run and led by the Federal Bureau of Investigation with our support.

So primacy depends on what kind of operation you are talking about and where you are operating, but in terms of the people sitting at this table, it is quite cooperative. The resources——

Chairman COLLINS. But who makes the call? Who decides? I mean, one of the problems that the 9/11 Commission identified over and over again was the feeling that there was not a person in charge.

Mr. MUDD. Again, when we are talking about military operations in Afghanistan, the military is running the operations; we support. When we are talking about clandestine operations under the authorities that we have, which are unique, we get support and we run them; we can decide. And when we are talking about domestic operations, the FBI does and should decide; we support them.

Chairman COLLINS. General Hughes, the 2002 Gilmore Commission also recommended the establishment of a National Counterterrorism Center. But under the Gilmore conception, the center would be responsible for fusion of counterterrorism intelligence but not for planning of counterterrorism intelligence operations. This is a question that I am going to ask the entire panel, but I will start with you, Mr. Hughes.

Should the NCTC have an operational role?

General HUGHES. I think as described in the President's vision of the NCTC, there is some connection to the planning effort. I hate to characterize it because these are the kind of details that have to be worked out, but I believe the idea is to have enough planning expertise, especially at the strategic level, to oversee the kind of interface that has to occur between intelligence operations and intelligence activities and the operational activities undertaken by agencies to carry out missions.

Chairman COLLINS. But in your judgment, should there be a planning role? We have a different recommendation from the 9/11 Commission than the Gilmore report, and what I am asking is, given your 30 years in intelligence, do you think that the center should have an operational planning role?

General HUGHES. Well, I am not quibbling with the question, but I do have to put it in context. The tactical and perhaps operational activities should—they have to engage in their own planning in order to undertake operations. That is what my experience has taught me over the years. But there is a role for planning at the strategic level especially to integrate features of broad planning that will affect everyone. And to that degree, I support the planning role at the National Counterterrorism Center. I don't think that we should try to centralize the kind of planning and the kind of activities that result from that planning at the national level. I believe those should be decentralized to the operating agencies. That is my personal view.

Chairman COLLINS. Thank you. Mr. Pistole.

Mr. PISTOLE. Yes, I believe the NCTC should have an operational role from the perspective of the planning that you mentioned and the development of intelligence requirements, the setting of those requirements, identifying gaps that may exist in existing intelligence. Where I think the distinction comes into play is in the operational execution of that planning.

For example, if there is a determination that there is a lack of intelligence collection in Chicago, for example, looking at a domestic issue, concerning Hezbollah, well, then, they should turn to the FBI and say we have identified a gap in intelligence collection there, we think the FBI should take steps to address that. And then the FBI would be responsible for implementing the steps that would solve that gap. And that would be through additional human intelligence, FISA coverage of certain targets. The whole range of investigative activity that the FBI currently has would be brought into play to address that.

Chairman COLLINS. Mr. Brennan.

Mr. BRENNAN. I believe that the role of the center as far as overseeing some type of joint operational activity has to be very carefully crafted from the standpoint of ensuring that analysis maintains its independence and its integrity. Analysis will inform operations as well as policy, but you want to make sure that when you bring them together, you make sure that analysis does inform it, but it still maintains its independence and integrity.

Also, you have to be very careful about the types of authorities that we give to this planning group and responsibilities. The 9/11 Commission Report says that the NCTC would assign operational

responsibilities but would not direct the execution and implementation of those plans. But it says that the NCTC would be accountable for tracking the progress of the case and ensuring that the plan evolves with it.

And so I would need to understand better exactly what are we talking about there as far as the role of this NCTC, and I would also associate myself with Mr. Mudd's comments about speed is of the essence. And you want to make sure you don't put in place anything that is going to, in fact, hamper the ability to move forward very quickly on that type of operational activity.

Chairman COLLINS. Mr. Mudd, you are in luck because my time has expired. Senator Lieberman.

Senator LIEBERMAN. Thanks, Madam Chairman. Gentlemen, in different ways I have gotten to know each of you, to work with you some, and I have great respect for each of you. Let me give you an impression and invite you to correct if I am wrong.

My impression from your opening statements and the first round of questions that Senator Collins has asked is that you don't fully embrace the 9/11 Commission recommendations, which would inevitably deprive each of the agencies you represent of some of the autonomy you have now because you would be accountable, including most importantly in budget, to the National Intelligence Director.

I believe that, as I read the 9/11 Commission Report, to take it one step further, in creating the National Counterterrorism Center they intend for all of your operations to be fused into that center and that you would no longer have the separate existence.

And remember, as Senator Collins has said—and I know you have read the 9/11 Commission Report—it is a chilling retelling of how September 11 happened, and it is an indictment of the status quo. Just to repeat the catch phrases, but they mean something, we had a lot of good work going on in intelligence, but it was in stovepipes, too much failure to share information, and no one in charge. Last Friday, Tom Kean and Lee Hamilton said there is still no one in charge, and they have still heard examples of one or another of the agencies that you represent failing to share with someone else.

So we are operating in an emergency climate, and obviously I want you to say what you think is right, but I also want you to deal directly with this appeal from the 9/11 Commission for revolutionary change—not unprecedented, very much like what Goldwater-Nichols did to the military to force people to work together.

In this case, we are in the middle of a war. We are under an imminent threat of attack now. So while we in Congress want to do this thoughtfully, we cannot delay very long, no more than a military commander in the field whose forces are having trouble with a strategy they are following or their organization would not change that as quickly as he could to turn the tide toward victory.

The 9/11 Commission recommended a National Intelligence Director with control—who is in charge—and they guarantee that Director is in charge by giving him or her budgetary control over the constituent agencies. The President explicitly, according to Andy Card, does not intend to do that. I worry that would create a kind

of Potemkin National Intelligence Director, where you see the facade but there is not real authority behind it.

How do you each feel about the National Intelligence Director having budget authority over the agencies you represent? Mr. Mudd, since you did not get a chance with Senator Collins, I invite you to respond first.

Mr. MUDD. If I could go back to Senator—no. [Laughter.]

I think I would say I embrace the panel recommendations. I think the National Intelligence Director is a good idea. I do think there is a question that has to be answered about the difference between coordination and direction, and I think that is something that the Congress and the White House and others, the Acting Director, should work on in the coming weeks.

I think there is a lot of work to do. The President announced an outline yesterday. I am not quite sure where that outline is going, although I think the umbrella ideas that were presented on the NID and the National Center are good and should be implemented.

The one thing I would say, which is in my area of expertise, counterterrorism, is to return to what I said earlier. We need to keep structures that allow us to operate with a speed that doesn't give us hours or days but sometimes minutes.

For example—and I will be specific—if you look at page 404 of the 9/11 Commission Report, in the midst of describing what I think is a good idea on the NCTC, there is a description of a case study that I think would prevent us from effectively engaging the enemy and prosecuting the war. It makes it too hard to move quickly. So I would simply say I will leave it to others to think about the macro issues. I am not an expert there.

Senator LIEBERMAN. You don't have a position on the budget authority in the National Intelligence Director?

Mr. MUDD. No, I don't, sir.

Senator LIEBERMAN. Let me just say very quickly in response to a question that Senator Collins asked you, part of why I see the budget authority in the Director as important is for the appropriate allocation of resources. For instance, the Pentagon is in charge right now of all the satellites, the imaging, etc.

It could be—there is a natural tendency for the Pentagon to want to use what it controls for its purposes. It might be that the National Intelligence Director at a given moment, seeing a particular threat of Islamist terrorism coming toward our homeland, would want to say, no, sir, we want those satellites now focused on this or that imaging focused on this. And if the Director does not have that budget authority, I fear that the individual stovepipes will, not for evil reasons, just for institutional inertia, would focus on their priorities, not what may be national priorities.

General Hughes, maybe with all your experience in so many ways, I should ask you to get into this now.

General HUGHES. Well, sir, I too support the National Intelligence Director concept, and I think there are many ideas here. I will address just the one that you ask about, the budget.

I think it is important to have central authority over the resource based and the breadth and depth of the resources across the U.S. Intelligence Community focused in a person who can allocate, as you said. I think that is vital.

I don't think we have had major problems in my experience in the past. There have been a few cases perhaps where disputes have arisen, but generally speaking, the characterization in our earlier conversation about working things out has worked. But, once again, I associate my views with the others here about speed, about precision, about the nature of the threats we are engaged in now. And I personally believe that some kind of direction from the central authority with regard to the allocation of resources and the control of some of the budgetary process is vital.

Senator LIEBERMAN. OK. I appreciate that. Mr. Pistole.

Mr. PISTOLE. I think there are compelling arguments both pro and con on the budgetary authority. I think the key, in addition to that, is that the person, the NID, has the authority—and I think one of the things that Andy Card mentioned yesterday, one of the key criteria is the access and the respect and confidence of the President. And whether that means budgetary authority to direct that satellite as outlined in the scenario, I think that still the details have to be worked out. But I think having that confidence of the President, being able to take the direction and be accountable, I think that is one of the 9/11 Commission's key recommendations, that there is accountability, that there is a quarterback in charge, this person having that authority and responsibility, if that is delineate in budgetary terms, again, compelling reasons for that. If not, then there has got to be some reason for saying this is why that is not the case.

Senator LIEBERMAN. Mr. Brennan.

Mr. BRENNAN. As the President said, the National Intelligence Director needs to have—be able to oversee the national intelligence program and budget, and I fully endorse that. And I think it is going to be up to the White House and to Congress to actually define what that means as far as oversee.

I would particularly focus on the issue of reprogramming authority, be able to move resources during the course of the year so we do not have to go through the process, which is frequently time-consuming.

Senator LIEBERMAN. Very time-consuming.

Mr. BRENNAN. It is. In addition, though, on satellites, moving satellites, there's a difference between needing the money to move a satellite and be actually able to have programmatic authority on that. The DCI has an Associate Director of Central Intelligence for Collection, Charlie Allen, who chairs a very well-run National Intelligence Collection Board that can move that satellite based on the priorities that are identified.

Senator LIEBERMAN. And that is the kind of authority I would like to see the NID continue to have, and I think if you give him budget authority, as a few of you have said in one degree or another you think he should have, then I think it guarantees that authority.

As I read the 9/11 Commission Report—and we are going to have some top staff on later, and I will ask them to clarify this—but my reading is that they are recommending that the four fusion centers that you represent, plus two more that are not here—one at the Northern Command and one in the Department of Justice—be eliminated and that all be put together in the National

Counterterrorism Center. In the Commission's view, Mr. Pistole, you personally or the position you hold would become a deputy to the National Intelligence Director. But I wonder whether you read it the same way I do, that for efficiency in operations, in effect, and expense, these six centers would be fused into one big National Counterterrorism Center.

Mr. PISTOLE. Senator, clearly, there is envisioned an integration and fusion of resources in a way that goes beyond what exists today. But that is not something, as I think you said earlier, that would be separate—there would not be separate existence for each agency. Clearly, the intent, I believe, is that we have our independent functions as directed by an overarching authority. The person that you refer to is actually my colleague, the Executive Assistant Director for Intelligence, Maureen Baginski, who would be that deputy under that format. So the operations of the FBI and the CIA and the Department of Homeland Security would all be conducted within our agencies, but in a coordinated fashion that has not happened.

Senator LIEBERMAN. My time is up, actually. I will come back. I was going to ask if any of you see the 9/11 Commission Report as I do, which is they are recommending the end of the fusion centers and that they all be fused into one big one. No? OK. I take the silence as a negative. We will ask the Commission staff how they see the recommendation. Thanks, Madam Chairman.

Chairman COLLINS. Senator Coleman.

OPENING STATEMENT OF SENATOR COLEMAN

Senator COLEMAN. Thank you, Madam Chairman. Let me first start by thanking you for your leadership. It is unprecedented that we are here in recess. I don't know if the Senate has ever come together on recess to hold Committee hearings before, but I want to thank you and Senator Lieberman for the speed with which you have moved.

We are here at a time of war. Sometimes we forget about that. We are talking about macro change in the way we handle intelligence, but we are at a time of war.

The 9/11 Commission Report was an indictment of the status quo on September 11. And we are going to struggle here with figuring out how quickly we can move, whether we can get something done before we get out of here in October, how quickly do we have to put together some legislation.

My question, and understanding we are at a time of war, understanding that the 9/11 Commission Report is a very serious indictment of the status quo on September 11, if we were to suffer an attack between now and the election, there is going to be another commission, another review of what happened, are we going to see another condemnation of the status quo today? Mr. Mudd, you talked about substantial change being made. I am trying to understand what it is that we have to do to make sure that we are maximizing our efforts to protect the American people against terrorism. Tell me today, if you can, each of you, a very quick assessment of today versus September 11, and what is it that you need from us to ensure that the American public is protected in a better way than where we are sitting right now? Mr. Brennan.

Mr. BRENNAN. A lot has happened since September 11. What I wouldn't want to have happen is for there to be a tragedy because we moved precipitously. I have tremendous respect for what the Commission has done, the scholarship shown in the report. But I strongly disagree with Governor Kean's comment on Friday that the system today does not work. The system today works better than it ever has before. The status quo on September 11 was certainly insufficient. Could it work better? You betcha. We can improve ourselves, and we need to. And that is why continuing to change and to go through transformation of government is important. But moving precipitously does not take into account the tremendous interconnectedness that is the result of legacy practices and procedures and statutes over the past 50 years. So we have to move thoughtfully, but what I don't want to do is, to move and to have a dropped piece of information because, in fact, we went through rapid change very quickly. And this does not, quite honestly, the 9/11 Commission Report, provide the detailed type of engineering blueprint that we need in order to undergo that transformation.

Senator COLEMAN. Mr. Pistole.

Mr. PISTOLE. I think the most significant changes from the FBI perspective have been in the areas of the collection, analysis, and dissemination of information. The FBI has been accused in years past of being a good collector, but not doing a good job of analyzing or sharing the information. There has been wholesale change in that since September 11, and I think our partners here at the table would agree with that based on the access to information, for example, through TTIC that non-FBI personnel have access to FBI files online, people in CTC and IAIP at DHS have access to that information. That is a clear change from pre-September 11 time.

What do we need you to do? The key question I think in one of the areas is in defining the lanes that each agency has responsibility for in terms of this new directorate and this NCTC. How does that all flesh out when it comes down to operations, where the rubber meets the road? How does that actually—how do we take that overseas intel and transform it into something here today that we can act on? So that would be the key for me.

General HUGHES. The entire organization that I represent is reflective of post-September 11 change. We did not exist. We do now, and I think tremendous differences have been made. The single biggest difference—and one that I think we all ought to be both pleased and proud about—is the connection between the Federal Government, especially in the intelligence context, the information that the Federal Government produces and holds, and the State, local, and municipal authorities and the private sector. That connection, which we are making more robust every day, is vital to our collective success. And I would like to offer that as the best possible example of change and improvement that has occurred, and I think it is continuing to evolve. I don't want to give you the impression I think it is perfect. It is not. We have much to do. But the fact is we are on the right track in that regard.

Senator COLEMAN. Mr. Mudd.

Mr. MUDD. I think it is fundamental to keep in mind that as the adversary changes, so must we. We have to keep changing. We can-

not say we have reached a point where we are comfortable because even if we were comfortable, the adversary will morph.

That said, I think that the change that we have undergone in 3 years has been fundamental, partly because the tragedy of September 11 allowed a global coalition of services to be galvanized in a way that was not possible before that. The world is focused on this target. We are toe-to-toe with the target every day.

Let me mention two things about things that we could use help on. First, we talk about resources. This is a war of people. Every person makes a difference in this war.

Second, the thing I fear most and that you can help with, I fear that there will be a sense around the world that after bin Laden and Zawahri are gone, that we can lose the edge, that we can lose our commitment. In fact, I think the dedication to maintain the commitment to this fight must be higher after they are gone. We are in a war of a generation.

Senator COLEMAN. One of the complaints of the Commission has to do with this issue of who is in charge, and no one is in charge. It is being repeated that no one is in charge.

Mr. Mudd, as I listened to your testimony, I got a sense—and the others can respond to this—that what you have now is a collaborative relationship. People have their jurisdictions. The FBI has their jurisdiction. The CIA has jurisdiction, DCI, and Defense have jurisdictions. Hopefully the walls are broken down so you are not in that silo effect that the Commission condemned and that was part of the problem on September 11. But my sense is that rather than having an executive fiat, one person saying this is it, what you have is a conversation that results in action.

Two questions for you. The way the present structure is, does that facilitate the type of speed that you need? Or could you operate more quickly if you had a single person in charge? But then the concern that I see is if you had the single person in charge, how would you get the minority perspectives? And how would you get to the President the contrary analysis from someone who is—the decision is made, but someone has got something concerning them. How would you see in a structure with the single head that information getting through?

Mr. MUDD. First, I think in terms of thinking about speed—when I think about the National Counterterrorism Center, I think about the essential responsibility of the government to ensure that we act with unity of effort. We must have this, whether it's in the NCTC or elsewhere, and this is one reason I feel so strongly about the proposal. We've got to have unity of effort. And that means sitting us all down at the table and saying what are we doing.

In terms of speed, I see that a bit differently, and I think the weekend was a good example of this. Whether or not you have a planning mechanism, we sit there real time on the phone and pass information. This has been one of the things that's changed so fundamentally, the thinking about information sharing and information exchange in the wake of September 11.

For example, I hope I'm not speaking out of school, General Hughes and I were on the phone last night about passing information to local authorities. You talk about responsibility. This is not my responsibility. I fully cede that to the Department of Homeland

Security and the FBI. It is my responsibility to act quickly when DHS asks for clearance of information. We did that in minutes last night.

Senator COLEMAN. Any of the gentlemen want to respond to that? Let me then, folks, I want to get to the issue of no one in charge. That is a condamnation of what is happening today, that somehow decisions are not being made. Can somebody help me understand that? Do we have to move quicker? I do not want to wait for legislation. If no one is in charge and it is impacting the safety and security of Americans today, I want to understand that, and I would hope folks would move quickly. So help me understand whether the status quo today is somehow resulting in decisions not made or a lack of speed in responding to existing threats.

Mr. PISTOLE. No, Senator, absolutely, at least from a domestic perspective, I can speak clearly, that any actionable information that we receive—and part of this is the focus on the interdependence among our various agencies, that if there's overseas intelligence that's gleaned, let's say, from Pakistan, the information from the weekend, that translates into action the Department of Homeland Security, the FBI takes to follow up on. There is no impediment to that action being taken. Whether that means the FBI seeking an emergency FISA to go up on somebody here in the U.S. that has some connections, whether it's the Department of Homeland Security taking actions to harden targets, none of that—there are no impediments to that action being taken. So the impression, if you have, that there are impediments is, I believe, not founded.

Mr. BRENNAN. Senator, I would say that you have to define what do you mean by in charge of what? The terrorism challenge has so many different dimensions from the standpoint of operations, investigations, mitigation, defense, analysis, collection, integration, etc. It reaches almost every part of the U.S. Government. It reaches worldwide. And you know, when you think about all of that, to have one person in charge of all those things that fundamentally affect the statutory responsibilities and authorities in the different agencies and departments throughout the government, it is a real challenge to try to ensure that there's a system that will ensure that there's going to be contrary views that will be able to get up to senior policy makers. So again, it's a design issue. What do you want to construct architecturally, from a national architecture standpoint on the terrorism challenge.

And the U.S. Government, still I say, is a product of the past 50 years of individual initiatives. We have to take a look at ourselves and say, how can we best be configured in the future?

Senator COLEMAN. Thank you, Madam Chairman.

Chairman COLLINS. Senator Durbin.

OPENING STATEMENT OF SENATOR DURBIN

Senator DURBIN. Thank you very much, Madam Chairman, and thank you to all of you who are testifying here today.

Madam Chairman, let me join in the chorus of those who are praising you for calling this hearing. It is unusual for us, having decided to go about our own business back in our States and with our families, to return to Washington. I know Washington's glad to see us. We are glad to be here. I cannot think of anything more

important that we could be doing at this moment in time than considering the 9/11 Commission Report and our response to it.

But let us be very candid and honest about the situation and the circumstances that we face. We have to make certain that we are driven more by September 11 than by November 2. This has to be about September 11 and the tragedy that came to America, and not about a pending presidential election. We have to make certain that the decisions that we make here and the process that we follow is one that is extremely serious. It took some 20 months for the 9/11 Commission to complete its work. The fact that many are urging that we finish our work in a matter of hours, I think will not do justice to the task that faces us.

Let me be specific. Mr. Brennan, you gave high praise to the President's announcement yesterday, and talked about TTIC and what it has achieved. If I am not mistaken, it was January 2003 when TTIC was originally created, and I believe you were brought to head it up in March of that year; is that correct?

Mr. BRENNAN. The President announced its creation in January. I was brought in to help design it in March. It was stood up on May 1 of last year.

Senator DURBIN. I am happy that happened. I cannot see a dime's worth of difference between what the President endorsed yesterday and what TTIC did or was created to achieve over a year ago. And I look at the way that your agency is presently being managed, and I salute you for all that you are achieving, but I think you would concede that there have been some fundamental barriers and obstacles which you have faced, not the least of which is the fact that it is a pickup team that you are using to run this Agency. It consists not so much of dedicated staffers, but those who have been loaned to you by other agencies, assignees from other agencies like the FBI and the Department of Homeland Security.

According to a Congressional Quarterly Report last night, the White House had hoped to have 300 analysts at TTIC. A March 2004 report stated it only had 123, 18 from the FBI, 12 from the Department of Homeland Security. They expected the FBI to produce 65, and Department of Homeland Security to assign between 30 and 45. And the simple problem is, there just are not enough good people. You have had to pick up staff from other agencies to try to move forward. You have reached less than half of the assigned staff level that you had hoped for, and I think that is an indication that as we talk in glorious terms about creating boxes and moving them around an organization chart, the final analysis, it is a question of having talented and creative people in these agencies doing the work.

The second issue, and one that troubles me, and I raised it at the last hearing, is this whole transfer in sharing of information. If the 9/11 Commission said nothing else, it said we have to reach the point where we are sharing this information. As Mr. Mudd said, this is a war of speed. The information has to be shared.

Currently, TTIC, as I understand it, the analysts there access intelligence only from their own agency's databases, according to the Center's Directors. That means CIA analysts must request FBI analysts to check FBI databases and report if they find anything of

interest. That does not sound like an efficient way to protect America.

So if what the President is suggesting is more of the same, dusting off the old press release, we are not getting anywhere. I think what the 9/11 Commission challenged us to do was to give more authority to this National Counterterrorism Center by way of budgeting, by way of staffing, so that we can start forcing some merger of not only talented people, but valuable information.

I would appreciate your response, Mr. Brennan.

Mr. BRENNAN. First of all, I have to correct the record in terms of access to information within TTIC. We have CIA analysts in TTIC who are able to access FBI case files through their electronic databases and systems. We have FBI analysts who are able to access the CIA's operational traffic. So what we're doing is trying to ensure an integrated structure there. And you're absolutely right, if they only had access to their own individual systems, that wouldn't work. That's why we in fact have designed a system not to do that.

Senator DURBIN. So is there full integration of the databases then of the FBI and the CIA? If you are an FBI analyst and you know something that you think is of interest that needs to be followed up, to protect America, can you get into the CIA database?

Mr. BRENNAN. Yes, you can. The issue is what do you mean by an integrated database. We have access to these 22 networks, and on those networks are countless databases and data holdings. What you don't want to do is to mix all of that together, because first of all it's not mixable in its current form, because individual agencies have designed their systems according to their own individual standards.

Now, what we are doing is bringing those systems in and networks in, so we can design an architecture that allows us to search against them simultaneously, and in fact, we are doing that now. We are not at that stage, but you have to be able to do an integrated federated search simultaneously.

Senator DURBIN. I would like to stick with this point because I think this gets to the heart of it. The question is whether or not we have an overarching architecture where we can at some day hope to integrate these systems and to integrate the information, and share the information. If I am not mistaken, we are currently in the situation where the Border Patrol, collecting fingerprints, cannot share them with the FBI, some 5 years after they have been tasked to do it. So what we have is a lack of integration of this technology base and this architecture.

When I raised this issue in the creation of the Department of Homeland Security, OMB screamed bloody murder: This is our jurisdiction. You stay away from it. We are the ones who integrate architecture of computers. And so we did nothing. I am wondering today, when we are talking about what you are doing and what we hope to achieve with the 9/11 Commission Report, are we finally tackling the bottom line here, that even after new titles and new boxes on the organization chart, we need the people and the architecture to make this mesh and work together?

Mr. BRENNAN. Yes, sir. I think you're making the point that I made earlier, which is that there needs to be a national architec-

ture, from a business process standpoint as far as the roles and responsibilities of those different entities, but in addition, an information technology architecture. The U.S. Government is the product of, again, the past 20 years of the revolution that has taken place in information technology. This Congress has funded individual initiatives and individual agencies. So what we find right now are disparate systems, and we're trying to bring it together.

Senator DURBIN. Can you for a moment understand my frustration? It is 3 years after September 11. This is not a new idea or concept that we would create this architecture, and here we are 3 years later, almost 3 years later, saying, boy, we are going to have to do this soon, are we not? What has stopped us? What has stopped the Executive Branch? Is it the Congress? Have we held the Executive Branch back from establishing this new architecture so these computers can merge their information and make us a safer Nation?

Mr. BRENNAN. Senator, the architecture is so complicated. You're talking about multi-level security systems, top secret, secret, classified, unclassified. You're talking about something that touches all different government agencies and departments. You're talking about moving information from overseas and making sure that it can cascade throughout the government and down into the State and local level in law enforcement. You're talking about a very intricate and interdependent system that is not yet in place. It needs to be. The U.S. Government needs to understand how we can make sure information moves, but the bumper sticker comments about we're not sharing information doesn't take into account the complexity of the issue.

And when I look at the 9/11 Commission Report, the recommendation on information sharing is that information procedures should provide incentives for sharing to restore a better balance between security and shared knowledge. It doesn't address any of the issues regarding the technology challenges and the tremendous resources required, the policies and protocols and procedures that have to be put in place.

Senator DURBIN. Mr. Brennan, with all due respect, 2 years ago, when we debated the creation of the Department of Homeland Security, I proposed this Manhattan Project to do exactly what you suggested. It was stopped by the OMB. It was not approved by the Administration. It did not go forward. And today we are in the same conversation. I really believe that unless and until we make a commitment, a bipartisan commitment to get this done, we are going to continue to feel the frustration and be unable to offer the protection the American people are asking for. Organization charts are important, but the bottom line, who is working for the Agency? What tools do they have to make America safer? And the most important tool, as I see it, from a technology viewpoint, is still something off in the future. That to me is troubling.

I hope this Committee hearing moves us, not only toward a better organization chart, but toward putting the people in place as well as the equipment in place, technology in place, to make it happen. I think that is the thing that troubles me. The FBI—I just have a short time—but the FBI computer system on September 11 was decrepit. It was embarrassing. I know efforts have been made

because I have worked with Director Mueller, over and over again, to bring more modern computer technology to the FBI. I think most Americans would be shocked to learn where you were on September 11. I hope things are better today. Are they?

Mr. PISTOLE. Absolutely, Senator. Tremendous strides have been made. There's still a ways to go, but the key is that everybody within the FBI and those people who are working to access the FBI databases have full visibility of the information that previously, as you said, prior to September 11, simply was not there.

Senator DURBIN. Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Senator Specter.

OPENING STATEMENT OF SENATOR SPECTER

Senator SPECTER. Thank you, Madam Chairman.

I would like to focus for just a moment on the timetable which we are going to be following, and offer a slightly different perspective than the one which we are moving on at the present time.

The Chairman has gotten national acclaim for having a July hearing and a series of three August hearings, unprecedented, and deservedly so. Senator Frist and Senator Daschle did the right thing in asking for a bill by September 30, and when they did that, I think they did it in the context that it was mission virtually impossible, but this Committee can do it. I have a little different view as to what kind of a timetable we ought to be undertaking.

The month of September is likely to be filled with disagreements as we move on the appropriations process, and likely to have a continuing resolution from what I have seen in my years around here. I think that if we were to turn out a bill in early September, and I know that is a mighty tall order, but let me give you one person's perspective, that we have floor time to take it up and to move ahead with it.

We have had a lot of experience in the field, and there have been a lot of witnesses testifing. I know that from the 9/11 Commission General Hughes testified and Mr. Pistole testified, and you go over the list, virtually everybody has testified, Powell, Albright, Cohen, Rumsfeld, Myers, Tenet, Berger, Clarke, Freeh, Reno, Mueller, and Ridge, and we are going to hear from some of them again, but we have a pretty good idea as to what your views are.

We argued about this when we debated the Department of Homeland Security in the fall of 2002. Senator Lieberman and I introduced the bill 30 days after September 11. It took a long time to get administration support, and then we were debating this point about having the new cabinet officer have the authority to direct. Many of us have been working on a correction to that, because we did not get that authority, and it comes in the background where there is a generally recognized view that had all of the information been under one umbrella, September 11 could have been prevented, and that is our charge today, to make sure that does not happen again.

For the past many weeks Senator Lieberman and I and our staffs have been working on a bill, so we have been thinking about this for a long time. I have been thinking about it since 1996 when I had proposed a similar idea in legislation when I chaired the Intelligence Committee. Then when the 9/11 Commission wanted a bill

introduced with their provisions, Senator McCain and Senator Lieberman were the leaders there, and Senator Bayh and I joined them to say we would introduce that bill, not saying we agreed with all of it, and it ought to be in the public milieu for analysis and decision.

My own ideas, as I expressed to them last Friday, are to disagree with the double hatting. The 9/11 Commission has said that the new national Director ought to have subordinates in charge of the CIA, the FBI, and Defense Intelligence, which would remain in those departments subject to the Secretaries, but also responsible to the Director, and maybe that is what we ought to come out with. I do not know. It is something that we are going to have to consider and we are going to have to debate it. At this stage my view is that we ought to take the bull by the horns, create this new national Director—and I compliment the President for coming out with it—and take the counterintelligence out of the FBI, and take a big segment of counterintelligence out of the Defense Department—the CIA is already separate—and really provide some authority including budget authority.

But the point is, what kind of a timetable are we going to be on? And at a time when America is under the threat of attack, we are on the spot, and we are doing exactly what we should be doing, we are here working. And Senator Collins is exactly right when she says we have got to get it right, and we cannot do it hastily. We have got to get it right.

But the legislative process is a long-term process, moving beyond what this Committee is going to do, going to the floor debate, and a lot of reanalysis. Then it is going to go through the House and it is going to go through a Conference Committee. We want to get it right, but this Committee is not going to be the last word.

This is not a good analogy, but it has some relevance. The Judiciary Committee reported out a bill on asbestos a year ago, knowing it had a lot of problems with getting it out of Committee to move it along the legislative process. And I can see this Committee finishing the hearings in August, and we are having more hearings, August 16 and 17. I can see the House having hearings. And I can see us having bills. I am going to submit one in the next few days for the consideration of the Committee. We are going to have the 9/11 Statute. We will put the chairs out there, and we will sit down and we will really get down to business, and we will start to hear arguments from a lot of people who know a lot about this subject, have had a lot of experience with it, who are on this Committee, and then we will have the floor debate, and then we will have a conference. But I can see passing a bill in early October.

We have passed legislation when we have had to, and that is what I would like to offer for consideration by the Committee and I have got a call in to the leadership. Our leader is in China, so it is a little hard to reach him, to give him my ideas as to where we ought to go, but we could move ahead.

People are going to get very antsy around here in early to mid October because of the elections there, and a lot of us are up for election. We are going to be here instead of campaigning because our duty is to be here, but if we look backwards on the clock, I think we can do our job and get it done by early October.

On to the subject matter, General Hughes. You have a lot of experience in the field. You were the head of the Defense Intelligence Agency, and we had a lot of conversations across the table when I chaired the Intelligence Committee in 1996. You took over as head of DIA in February 1996. Can the National Director of Intelligence run the job he has to do effectively without budget authority; and could you have run the Defense Intelligence Agency if the budget authority had been in the Director of Central Intelligence?

General HUGHES. Yes. I think the National Intelligence Director can have budget authority, and the intelligence organizations that are subordinate to him in that regard can effectively operate. I think it's one of partnerships, however, and cooperative interaction, and it does depend a lot—I think John Brennan may have said this—about how that is defined and what it is that you do with the resource authorities that you are given.

Senator SPECTER. If you do not have the budget authority, how can you set priorities? If you do not have the authority to pick the people, is not a national director just a shell game and a shell operation?

General HUGHES. Generally, I think you're right. Once again, I personally believe that the personnel engaged in the work of intelligence for our country should be fungible across the intelligence organizations, and indeed, under George Tenet that began to occur and is occurring now, that a CIA officer can serve the DIA, and a DIA officer can be in the FBI, and a FBI officer can be over at the Department of Homeland Security. I think that's actually on track to get where you would like to see it go.

What we're talking here, is a little bit different category. We're talking about monies that were apportioned out of a broad central budget line, and then given for use——

Senator SPECTER. General Hughes, I hate to interrupt you. My time is almost up, but I am going to be within my time. We are going to debate that. That is going to be a hot subject for this Committee and the floor, where budget authority goes and what we are going to do by way of appointing authority.

When I took a look at all the people who testified before the 9/11 Commission, I am reminded of a comment made by Congressman Morris Udall a long time ago. He was at a place where members were speaking, and Morris Udall made a comment. He said, "Well, everything has been said, but not by everybody." And in this context I think everything has been said by everybody, so I am going to push an expedited schedule.

Thank you, Madam Chairman.

Chairman COLLINS. Senator Akaka.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Thank you very much, Madam Chairman. I want to compliment you for moving so swiftly on these hearings, and thank you for your leadership on this Committee.

The Governmental Affairs Committee has anticipated and focused on national issues that we believe will seriously affect the future well-being of our great country. And I want to make the point that we should remember, the establishment of an intelligence directorate concerned with terrorism is not a new issue for this Com-

mittee. During the Committee markup of S. 2452, Senator Lieberman's bill to establish a Department of Homeland Security, Senator Levin, Senator Thompson, and I worked with Senator Lieberman on an amendment to form a directorate of intelligence within DHS as a focal point for information relating to the plans, intentions, and capabilities of terrorists. Unfortunately, our concept of a directorate of intelligence was not included in the administration's bill, H.R. 5005, which was enacted to establish the Department.

As we revisit this subject, I hope that some of the issues that we worked out in a bipartisan manner can be implemented this time around.

You have all testified that your respective organizations have made great strides since September 11 in the area of counterterrorism. You have also testified that you support the creation of NCTC and believe that it will build on your current capabilities. What specifically are you not able to accomplish now that NCTC will? Mr. Brennan.

Mr. BRENNAN. The intention and purpose of the National Counterterrorism Center is to ensure that we build upon the TTIC foundation to ensure even greater integration and collaboration across the community. It is bringing it to another level, this issue of trying to make sure that there is some type of orchestration from the standpoint of the joint planning that comes out of the intelligence knowledge that we are able to accrue.

So from the standpoint of making sure that there is this orchestration, as well as understanding of what the respective roles and responsibilities are, a National Counterterrorism Center in fact is going to try to bring into it more of those elements throughout the community that are engaged in the battle against terrorism.

Senator AKAKA. Mr. Pistole.

Mr. PISTOLE. Senator, I believe it institutionalizes some of the policies and practices that we are currently engaged in, and it gives that ownership and responsibility the 9/11 Commission addressed, who's in charge, who's the quarterback? That's what it provides for.

In terms of a the day-to-day operations, I think it simply allows the clear delineation of who's responsible for what activity at what time and it enhances the information sharing that we are all working toward, but with having this new directorate overall, it again institutionalizes that in a way that we don't have.

Senator AKAKA. General Hughes.

General HUGHES. I see it as a place where you can achieve a strategy for action that is more difficult if you're dispersed. I see it as a place where you can discuss and come to conclusions that could be centrally acted upon. And I see it as a place to achieve synergy that might not otherwise be achievable.

Senator AKAKA. Mr. Mudd.

Mr. MUDD. The CIA, I think, has three traditional missions: That's the collection of information, the analysis of that information, all foreign related, and the conduct of covert action. We can conduct those in the Center.

There are things outside the Center that we need help on. The first is to ensure that we are all coordinated in action, and we need coordination of action. And then the second is to ensure that as we

look at foreign intelligence, that we fuse it with other sources, particularly domestic sources, so the President gets one view that reflects what everybody thinks.

Senator AKAKA. One of the justifications for establishing the NCTC is to consolidate operations and address the lack of information sharing within the Intelligence Community by staffing representatives from the various intelligence agencies into one cohesive environment. However, we must ensure that detailing capable personnel from other agencies and departments to staff the NCTC does not undermine the intelligence and national security efforts of those entities. Simply putting a nameplate on a door will accomplish little unless the offices inside are filled with qualified people. My concern with staffing the NCTC is my same concern with staffing any Federal office—making sure that we have the right people in the right place at the right time. I fear that the creation of another intelligence center will just worsen the problem.

My question to all of you is, what is the current state of recruitment and retention of skilled analysts and linguists in your respective agencies, and are you concerned that the creation of the NCTC will lead to the loss of your best personnel, which could compromise your agencies' capabilities to fight terrorism? Mr. Brennan.

Mr. BRENNAN. The Terrorist Threat Integration Center relies on the partner agencies to assign analysts to us. So we don't do any direct hiring ourselves.

I am concerned about making sure that we are able to optimize the use of every single analyst throughout the government. That's why I think it's important that we have a framework that we all understand the delineation of responsibilities to make sure that any redundancy is thoughtful and is intentional, as opposed to nonintentional.

And so what we're trying to do now is to make sure that we understand what our respective roles are because the analytic resources are so precious we want to make sure we're able to cover the entire horizon of challenges that are out there. The last thing I'd want to do is for National Counterterrorism Center to deprive analysts from those operations, investigative and other elements within the CIA, the DHS, and the FBI, that need those analysts to drive their operations and investigations appropriately.

Senator AKAKA. Mr. Pistole.

Mr. PISTOLE. Yes, Senator. I think the 9/11 Commission Report indicated the importance of what Mr. Brennan just touched on in terms of having the analytic cadre still close to the operations that are ongoing, whether in the CIA, the DHS, or the FBI. The challenge as I think you have touched upon, is that we all need those analysts, and we are all aggressively competing for the best and the brightest to come work for us, and then we take those and train them, and assign them, whether it's to TTIC or to CTC or perhaps DHS IAIP. So that is one of our greatest challenges.

We have been successful in the FBI of hiring hundreds of top flight analysts, but the challenge is to continue with that on into the next year, and we've taken great strides, as all the agencies have, to do that, but you have touched on one of the key points.

Senator AKAKA. General Hughes.

General HUGHES. I think the answer is yes, that there are fears about shortage of personnel and competition, and not being able to continue the departmental missions if the best and brightest of our capability goes elsewhere. That's certainly true. It is a very competitive environment, and there are very few people that are experienced in regard to the Homeland Security mission. So we're trying to build a cadre of people, and at the same time deal with the requirements that were given to support organizations like the National Counterterrorism Center. I believe it's going to take a lot of leadership and a lot of consideration of the issues to work this out.

Senator AKAKA. Mr. Mudd.

Mr. MUDD. Sir, you do raise an issue of concern. We're dealing with a broad government, but it's a government, and when you get right down to it, that has a limited pool of expertise, and we share this expertise across agencies, so you have to think, as you create one agency or affect another, that there is a relatively small pool of people who can do this.

And I would also mention that on your question about recruitment, the ability of—to bring people in is one thing. The ability to ensure that you can spend 5, 7, or 10 years to develop that person where they can really bring strength to target and degrade the enemy, this is a long process, because we can't just recruit them. To develop an expert operational analytic is a multi-year process.

Senator AKAKA. Madam Chairman, my time has almost run out, but again, I want to say thank you for this hearing. It will certainly help us assess the capabilities we have and need to create. Thank you.

Chairman COLLINS. Thank you. Senator Shelby.

OPENING STATEMENT OF SENATOR SHELBY

Senator SHELBY. I ask that my complete statement be made a part of the record.

Chairman COLLINS. Without objection.

Senator SHELBY. Thank you, Madam Chairman.

[The prepared statement of Senator Shelby follows:]

PREPARED STATEMENT OF SENATOR SHELBY

Madam Chairman, I commend you for acting so expeditiously in putting together a series of hearings on implementing the recommendations of the 9/11 Commission. Especially with the Senate in recess and a major election on the horizon, the difficulties of pulling this off should not be underestimated.

Having served on and chaired the Intelligence Committee, I have to admit to a certain level of satisfaction at seeing some long-overdue measures finally beginning to take shape. As I have pointed out in the past, only with the creation of new government entities and the reorganization that entails can the United States hope to prevent a recurrence of the tragic events of 9/11.

It is ironic that more than a half-century after passage of the National Security Act of 1947, which was itself the product of a devastating surprise attack on the United States, one of its key provisions may finally come to fruition: The creation of a National Intelligence Director. The United States was caught by surprise by the Japanese fleet for the same reason we were caught off-guard by the terrorist strikes of September 11, 2001. This nation's failure to construct an intelligence structure that ensures that information reaches those who need it in a timely manner and who have the authority to act has been at the core of numerous disasters over the last 50 years. The work of the 9/11 Commission, though, has provided us with the intellectural, moral and political foundation upon which to build the requisite governmental structure at last.

The President's announcement yesterday of his decision to follow the Commission's recommendations was mostly welcome news. The President has agreed that the Intelligence Community has continued to lack the oversight and coordination that was envisioned in the 1947 Act. It would be irresponsible in the extreme to not support him in implementing this recommendation. Unfortunately, the President's proposal omits a key requirement for effective reform: A National Intelligence Director must have budgetary authority over the whole of the Intelligence Community with the sole exception of military tactical intelligence, which should remain the provenance of the uniformed services. Those agencies that provide intelligence necessary for strategic decision-making must fall under the purview of the new Director. The Central Intelligence Agency—once again, the irony shouldn't be missed of an agency created to address the shortcomings that resulted in Pearl Harbor—should no longer be lead by the same individual who oversees the entire community.

The Director of Central Intelligence had the statutory authority he needed, but never the political support to do the intended job. Title 50 of the U.S. Code clearly stipulates that the DCI had budgetary authority over the Intelligence Community. In practice, it never occurred. As with the outcome of Pearl Harbor, the events of 9-11 have created the political momentum to force the fixes that should have been in place decades ago.

Similarly, the establishment of a National Counter-Terrorism Center (NCTC) is the long-overdue reaction to our failure to properly take the necessary measures to fix a problem most of us knew about long ago. The Terrorist Threat Integration Center (TTIC) was, conceptually, the right idea. Problem was, it was the right idea poorly executed. The CIA, for which I have tremendous respect, was not the right venue for an operation oriented toward protecting the American homeland as well as U.S. assets and interests overseas. The insular, highly-secretive nature of the CIA was not conducive to the mission of the TTIC, which, to be effective, must interact on a daily basis with the FBI, Homeland Security, and other organizations.

Madam Chairman, I again commend you for holding these hearings, and look forward to working with you and Senator Lieberman to implement the recommendations of the 9/11 Commission. However, I also remain committed to ensuring that the actions and reforms we undertake are done with thoughtful, measured progress. Taking action simply for the sake of taking action will not secure our homeland and it certainly will not honor the memory of those who lost their lives on September 11, 2001.

Senator SHELBY. Some of us over time have proposed the creation of a national intelligence directorate to oversee all intelligence gathering, someone with total control and accountability. That is the budget too. I believe today's system, as you have heard many times in your experience, is far too disjointed, although you have made a lot of progress. I have to concede that.

I think what we are faced with here today, Madam Chairman—and you and Senator Lieberman will be in the leadership here is that we must make certain the changes we propose architecturally here in legislation, will accomplish the goals that we set forth. In other words, if we do not accomplish the goals, the end game, then we are wasting our time, and we cannot afford that. America cannot afford that.

I think it begs the question, what is the No. 1 problem in the Intelligence Community, made up of some 15 agencies, I suppose? Is it the lack of gathering of information? Is it the lack of analyzing information? Is it the lack of disseminating, sharing of information? Or is it all of them? I do not know. But all of these questions have been raised from time to time.

I think Senator Durbin raised an important question earlier. What are we going to accomplish here if we put together a all-source or whatever you want to call it, terrorist center, analysis center, building on what Mr. Brennan has been doing, and I think we can learn from that. But what will that be? Will it be an entity standing on its own? Will it be fed by the other agencies? Will it be the prime entity in analysis of information?

I think it was said earlier that the agencies—and we will talk about the CIA, Mr. Mudd. The CIA still would have some type if analysis center, you would envision, would you not, dealing with terrorist information?

Mr. MUDD. That's correct. The center I manage is both operational and analytical.

Senator SHELBY. What would you envision the CIA having if we were to create the big entity for analysis and so forth, in other words, a counterterrorism center?

Mr. MUDD. I'll answer that, sir. I'd like to say, in response to what you first raised, which is the question about the biggest problem we face. I would say it's people, trained people to conduct this war. You can talk about management, budget, etc., but getting people to fight the war.

In terms of what the center does, the counterterrorist center that I manage now, and what it should do. The two operational capabilities are pretty straightforward. That's the collection of information, the conduct of covert action at the director of the President. There's also a responsibility, an analytic responsibility we have, both to support our operators, and that responsibility is very complicated. We haven't talked about that much here, but it's difficult to understand. I'd be happy to explain later. And to reflect what we know from our operational information and other foreign intelligence information, via TTIC to the President. TTIC can help us fuse other information that's collected, for example, domestic information to ensure the President has a panoramic picture.

But the center I have now has a fabric of operators and analysts that I think has proven very effective in the war, and I think, in response to a comment earlier about what we envision for this, I don't think we envision that the new center would control all the operational or analytic assets across our community. I think the vision would be that the visibility, the transparency across the community, and having a place that can coordinate so that we are maximizing limited resources exists, and that's why I think we need such a center.

Senator SHELBY. As a big gatherer of information, which your agency would do, you could not just gather it and throw it out raw doing nothing to it, could you? Because you also are tasked with other things at the CIA, not just terrorists, which is very important for all of us, and what they would do, how they would attack us here or around the world, but other things that you deal with. Is that correct?

Mr. MUDD. I think that's correct. I think what you're talking about here is balance.

Senator SHELBY. Balance in millions.

Mr. MUDD. The fusion mission is critical. It's a mission that we cannot—let's be absolutely clear here—we in the CIA cannot conduct this ourselves, but we also have other missions that go beyond that have led to success in the war that I think we should continue. So fusion's important. It's not only important to ensure we have people who get a picture comprehensively of the data, but it's to ensure the President has a picture that doesn't reflect six different agencies saying six different things.

Senator SHELBY. General Hughes, at Homeland Security, you bring with you, as Senator Specter alluded to, your experience at DIA. What do you believe is the No. 1 obstacle or problem that we must overcome with your help and the Agency's?

General HUGHES. I have to agree with my colleague, Phil Mudd. People and the shortage of people, and especially the people who have experience and training. In my endeavor we're kind of making that up as we go along, and putting in place some training mechanisms. That's our biggest issue. That's my direct answer.

Senator SHELBY. Thank you.

Mr. Pistole, at the FBI you are charged with fighting terrorism, and that is a big departure to some extent from what you have done in the past. I know you have made progress. What is your biggest problem? Is it recruiting the right people, and training the right people, as they have said?

Mr. PISTOLE. Yes, Senator, that's in large part is the greatest challenge. We have an expression in the Counterterrorism of the FBI, that we don't have problems, we just have opportunities to demonstrate character, and we have lots of those opportunities in terms of recruiting, training, and deploying the right people. We have thousands of ongoing terrorist investigations here in the United States. We need the dedicated cadre of people who can focus on those, do both the strategic and the tactical analysis that goes with that, and then to integrate all of that with our partners here to make sure that we have the broad brush. So it is the challenge of the people—the personnel.

Senator SHELBY. Mr. Brennan, you bring to the table recent experience of setting up a new organization, it has to be trained people, people you can train and everything, because you cannot wait, can you?

Mr. BRENNAN. That's correct, Senator. The concept of a shortage of people is a relative one. The more efficient you are, the more you can do with the finite number of people, and I am an advocate to making sure that we're able to use those people as efficiently as possible across the different entities involved in terrorism.

Senator SHELBY. Mr. Brennan, according to the President's announcement, the new center would subsume the Terrorist Threat Integration Center, your center. That of course would entail removing a unified, coordinated analysis and assessment operation from the CIA basically. What will be the future of terrorism analysis within the CIA after this, assuming it moves with legislation? In other words, what would the agencies' terrorism desks look like after the NCTC is operational?

Mr. BRENNAN. One of the things that's important to keep in mind is that the Terrorist Threat Integration Center is not a part of the CIA. In fact, we are a stand alone entity.

Senator SHELBY. It is just housed there?

Mr. BRENNAN. Well, in fact, we moved out to a new facility about 4 weeks ago.

The responsibilities of TTIC, the NCTC, the CIA, and others in the future I think has to be part of a framework. I would argue that TTIC or the NCTC has to be the center of gravity on analysis. And so that there be a clear understanding of what the NCTC or TTIC is responsible for. But what we have to do is to identify the

universe of analytic requirements across the government, and then assign responsibility for those different parts of that responsibility, just to make sure we understand what the CIA will be doing. And so there needs to be a framework that we are all going to be operating under, under some type of centralized orchestration that I think the NCTC can provide.

Senator SHELBY. The USA Patriot Act provided Executive Branch agencies more authority, as we all know, to share information and to conduct domestic investigations than heretofore had been the case. Mr. Pistole, you are right into this. With the establishment of a National Counterterrorism Center, what additional authorities if any will be needed to further remove impediments to information sharing, if you can envision this? In other words, what obstacles do you see or foresee to bridge the gap between foreign and domestic intelligence gathering and sharing?

Mr. PISTOLE. As you mentioned, Senator, the USA Patriot Act has done great things for the Intelligence Community, law enforcement community in that respect. The one issue that remains unresolved which we could use your help on is obtaining administrative subpoena authority in counterterrorism investigations. We have that in drug investigations. We have it in health care fraud investigations. We don't have that in counterterrorism investigations, which is an impediment to the timely collection of documentary information, maybe evidence. So that's one legislative fix that would be beneficial for us.

Senator SHELBY. Mr. Brennan, what are two of the biggest lessons from your center that would be instructive for the future for us to learn as we set up the architecture here?

Mr. BRENNAN. First of all, how difficult and complicated it is. As I said, I'm a long time proponent of reform, and it's one thing to sketch it on a board, it's another thing actually to implement it on a day-to-day basis, and so therefore, it's very complicated and difficult.

And second, to make sure that we take into account the entire architecture, because what we have found out is that if you move something in one part of that architecture, it has impact somewhere else where you may not have even anticipated, so you may have to make sure that you understand the totality of what is being affected.

Senator SHELBY. Madam Chairman, I know my time is up. I have a number of questions for the record. Could I submit those for the record?

Chairman COLLINS. Certainly, without objection.

Senator SHELBY. Thank you.

Chairman COLLINS. Senator Dayton.

OPENING STATEMENT OF SENATOR DAYTON

Senator DAYTON. Thank you, Madam Chairman. I want to join with the others in commending you for this hearing, and Senator Lieberman, you working together to bring us all together here.

Director Brennan, you, in your remarks, state that the President called for the creation of this integrated center to merge and analyze all threat information in a single location, which then became TTIC, and then you go on to say that: As envisioned by the Presi-

dent, this physical integration of expertise and sharing of information enables and empowers the key organizations involved in the fight against terrorism. And then you go on to say that: Fusion and synergy will be further enhanced when the CIA's Counterterrorist Center and the FBI's Counterterrorism Division co-locate with TTIC in the coming months.

When is that going to occur and why has that not yet occurred if that physical co-location is such an important part of your effectiveness?

Mr. BRENNAN. Well, as you can imagine, trying to bring those three entities together, the TTIC, the Counterterrorism Division of the FBI, and the Counterterrorism Center from the CIA, requires a physical infrastructure in order to accommodate that. We have recently moved into this new building, a new facility. We, at TTIC, are there in totality. The FBI and the CIA have also started to move their individuals into the building. What we are doing is—the Counterterrorism Division is still going to be responsible for the operational activities that the FBI runs. So it's three parts of this building right now that we are moving toward.

I think what we have to do is look at that in terms of the National Counterterrorism Center and to see whatever type of modifications might need to be made as a result of that. But there's a physical infrastructural requirement whenever you do something like this.

Senator DAYTON. You mean the Federal Government did not have a building in West Virginia somewhere, where you could all immediately move? [Laughter.]

Mr. BRENNAN. There are a lot of buildings, sir, but you have to make sure it has the connectivity requirements and the Oklahoma City Standards, and all sorts of things.

Senator DAYTON. Director Pistole and Director Mudd, that neither of you in your remarks mentioned this co-location. Is this intended? When will it occur, and is it desirable in fact to occur?

Mr. PISTOLE. Absolutely, Senator, it is desirable, and we're in the process. It's simply a matter of the build-out of the different areas. The TTIC area was the first to be built out. The Counterterrorism Division, we've moved in less than 100. We should have that all complete by the end of September in terms of all those people from Counterterrorism Division are moving out.

Mr. MUDD. Sir, in terms of the physical location, the issue here was simply the setting up of the infrastructure at setup. We started moving a few weeks ago. One of the other issues you should take note of is that there isn't sufficient space there for the entire center that I manage, so one of the difficulties we'll have—but I think this is a difficulty we can overcome—is managing in two places about three miles apart. But it's a good idea. We should be talking to each other. I think co-location is underrated in terms of the importance for cooperation, and we have started moving.

Senator DAYTON. So if it is important, why was not a space found that could allow your entire operation to co-locate? You already have overgrown the space or the space is already inadequate for the three operations? I do not understand.

Mr. MUDD. I look at this as a first step. I mean, again, we've spent the last couple years fighting the war. We're starting to focus more on future and infrastructural issues.

Senator DAYTON. Just talking about finding a space that you would move into that would be sufficient from the outset to house all three of the operations that are valuable to co-locate, as I understand it correctly. Now you are already saying that there is not sufficient space in that site to house your entire operation?

Mr. MUDD. That's right. You're talking about thousands of people in an infrastructure that's quite——

Senator DAYTON. All the better to move everybody at one time into one location.

Mr. BRENNAN. Senator, I would just say that there are options for expansion there as far as potentially co-locating other elements.

Senator DAYTON. Why would you move into a space that is not adequate to begin with?

Mr. BRENNAN. We needed to move very quickly into a place that had the——

Senator DAYTON. Fifteen months.

Mr. BRENNAN. There were the options in fact to build out there.

Senator DAYTON. It seems to me this is sort of endemic in government, and you talk about the need to move swiftly in these matters and not to move precipitously, but then to move and not even from the outset be moving into space that is adequate to bring these three entities which were supposed to be co-located according to the purpose of TTIC, starting presumably from the outset, or as close to it, and now we are 15 months later, and two of the entities have not moved in yet, and one of the entities is not even going to be able to move in its entirety because there is not enough space in the space that you are moving into. I just think that is more—very counter-productive I would say.

We have 15 different agencies, entities that are, we're told, involved in intelligence gathering operations. Are there any of those 15 that in your respective judgments could be consolidate or merged?

General HUGHES. I think that the roles and functions can, and indeed the National Counterterrorism Center would be a reflection of that to some degree. But the departmental requirements and the operational requirements at the organizational level still have to be accounted for by some reflection of an organizational entity in those departments for intelligence. So I have thought a lot about that over the years, and I think we're pretty much stuck with the kind of idea that each organization needs an intelligence entity of their own that is immediately accessible to them.

Senator DAYTON. Any of the other three of you care to suggest a consolidation or a merger of an entity or agency?

Mr. MUDD. I am not sure I have a suggestion on the consolidation part. I would say looking at CIA capabilities that a lot of these are set up by specific authorities from the President and via statute. So one of the things I would have to consider in looking at that and one of the things that is specific to all the agencies we manage is that we do have specific responsibilities by law, including, for example, in my agency covert action. So if you just say, CIA, go someplace else, I would say there are some significant legal issues to

consider aside from all the cultural and other issues. So that is all the comment I would have.

Mr. BRENNAN. I would say intelligence reform transformation should take into account the broad array of intelligence agencies that are out there, and I think one of the worthwhile things to do is to take a look and see whether or not there can be structural reforms made, because over the years the development and the building of different intelligence capabilities needs to make sure that it fits into part of a broader architecture. And so I would say that it is a worthwhile review that needs to be looked at.

Senator DAYTON. Who is going to be able to advise us on that?

Mr. BRENNAN. Well, I think there are going to be discussions as they move forward with the National Intelligence Director that is going to take a look at the broad array of those intelligence agencies that would fall under that person's responsibility.

Senator DAYTON. But you are not prepared today to recommend any specifically that could be merged or consolidated of the 15 agencies?

Mr. BRENNAN. I am trying to run TTIC today and prepare for the NCTC.

Senator DAYTON. All right. It seems that this is one of the dilemmas that we encounter, that if we have these entities and they are all going to remain separate and disparate, then we are going to have to put another layer of coordination on top of the other layers of coordination. That is exactly the problem that we run into. As has been said earlier, no one is in charge and no one is, therefore, ultimately accountable. And it seems that the President's proposal, without budget control or personnel control, is going to be subjected to pretty much the same outcome in terms of the coordination.

Let me just ask, and maybe it parallels what Senator Shelby just said, but if we could set aside the Commission's report, set aside the President's response, what today, if anything, needs to be improved? And what is not working that should, or what should our end goal be if we make any changes in the status quo? I will leave that to the four of you. Is it working well enough now that we should, aside from all the publicity and attention and everything else, just let you continue to operate it the way it is today?

Mr. BRENNAN. Senator, I think it is certainly moving in the right direction. I think the more fusion of capability and the more integration of capability that we can apply against the targets and the mission of the U.S. Government's Intelligence Community, the better off we are going to be. That fusion integration has to take place close to the mission. We have tremendous capability within the U.S. Government across all of the different collection agencies and analytic agencies. What we want to make sure is that we put together a framework that really maximizes and leverages those capabilities. And so that fusion and integration against that effort is really going to be able to be a very strong force multiplier for us, and a National Counterterrorism Center is a way to try to bring it together as close to the target as possible.

Senator DAYTON. General Hughes.

General HUGHES. I would like to use one word that I think probably would solve a lot of the issues we have talked about and perhaps some that remain. We ought to strive for greater interoper-

ability among us. These disparate organizations have been brought together a great deal now by improved communications and automation, and I think I agree with John Brennan that we are on the right track. But that goal should remain foremost in our mind to make us all interoperable so we do not have different policies, we do not have different capabilities that are somehow disparate and not integrated in some way. And that should be our collective goal, in my view.

Senator DAYTON. My time is up, Madam Chairman. Thank you.

Chairman COLLINS. Thank you. Senator Lautenberg.

OPENING STATEMENT OF SENATOR LAUTENBERG

Senator LAUTENBERG. Thank you, Madam Chairman. I join the others here who commend you for the haste with which you bring attention to this matter. And it is for me something that Senator Specter said in his recall of the process was a valuable introduction, I think, into the discourse and the planning.

I don't think that we ought to create any images out there in the countryside that suggest that we are going to be able to deliver this complicated package in short order. We are not going to find the cookie cutter answer to our problems and say, hey, listen, this would do it.

There are fundamental questions that have not even been asked, like: Where are we going to get the people with the language capacity? America has never been a place where languages have been in the forefront of education, multi-language training. Even as you search for people to fill these positions that we are going to need, we are competing with the structure across this country, whether it be in the municipalities or the States or places like the port authorities that exist around the country, the regional aviation authorities, all these people searching, all these organizations searching for qualified people, competing with the needs that we will have if we restructure this.

I am not for delay, but I am for thoroughness, I must say. I think that it is fair to say that we have had operations that have been meaningful, improving our security as we have gone along in these last 3 years, what we experienced on September 11 was such a milestone in the way we view things. And I make no excuses for lack of action on data. It crossed two Presidents' tenures, etc. But to suddenly think that, well, retroactively if we had only pushed Button A, Button B, called this one or called that one, we might have prevented this. The madness of people who were hijacking airplanes, willing to commit suicide, it was unheard of. It was almost the equivalent of the dropping of the A-bomb. It was never conceived before in mankind, and it changed the world's thinking.

And I look today at an op-ed piece that was written by a colleague of ours, by Chuck Hagel, that appeared in *The Washington Post.* And, Madam Chairman, I want to introduce this statement of Senator Hagel's into the record.[1]

Chairman COLLINS. Without objection.

Senator LAUTENBERG. And I will take a little moment to excerpt some things from what he said: "But if we allow the current na-

[1] The article appears in the Appendix on page 111.

tional consensus for intelligence reform to become a tool in the partisan rancor of Presidential politics, we risk doing enormous damage to our Intelligence Community. We must not allow false urgency dictated by the political calendar to overtake the need for serious reform."

And he goes on to say, "A mistaken impression has developed that since September 11, 2001, little has been done to improve our intelligence capabilities." That is not true. He said, "We are unquestionably a safer Nation than we were 3 years ago—even as the intensity to hurt us increases all over the world."

So I think that when Senator Specter talked about the process, we cannot ignore it, and we cannot just lay the blame on bureaucratic turfdom. That is, in my view, about the weakest thing that we could say. People who head these organizations are conscientious leaders. They do not want to see any Americans killed through neglect or oversight.

And so we should not jump into this thing without realizing that, listen, we have got a huge problem on our hands. We have the prospect of a new government coming in in January. I am not talking about party. I am talking about just a change in government. And you cannot ignore what changes that might bring. Will President Bush rethink some of the things that he has been unwilling to do now, that is, to allow budgetary authority with the new Director of Counterintelligence? Or should we consider the fact that maybe like the Federal Reserve Bank, a professional executive order be brought in not subject to the change in administration, but to have a term of office. I have advocated that for a long time for the FAA. Give ourselves a chance to work out the long-term projects.

The understanding that the data upon which this last alert was presented is kind of old information. And what does that say? And what do we want to accomplish, I ask you in your thinking, when we put out an alert like that? Would we want to shut down the financial center of the world on the basis of the data that we have acquired? Or should we simply move the mechanism into place to protect people, and without sending out these warnings that you cannot go here, you cannot go there?

I got calls in my office in New Jersey because a building in Newark was identified as a possible target. "Should I go to work today? I have an appointment with my child to go to the doctor." People are worried sick. And we add to the frenzy, we add to the anxiety. But, frankly, I do not think that we add much to the security, to the prospect that we would want to tell people not to go to downtown Manhattan where the financial center of the world exists and operates and is essential to the well-being of all of us, not just because of the financial consequences but because of the living consequences that take place.

And so I ask, Should we be looking at a fixed term for a Director of the National Intelligence? Is that something that has ever occurred to any of you? Does anybody want to comment on that?

Mr. PISTOLE. I can comment, Senator, from the FBI's perspective of having a Director with a 10-year fixed term, and there is obviously a benefit of that from the perspective of independence of administration, in terms of policies, procedures. There is obviously a

downside depending on which way you look at it. But from the FBI's perspective, where we strive to be independent in what we do, having a Director with a fixed term of 10 years, that transcends administrations, is a benefit.

Senator LAUTENBERG. Anybody disagree with that? Mr. Mudd.

Mr. MUDD. My only thought on this is, first of all, sir, I don't have strong views on the term. I do believe that whoever serves must have the confidence of the President, and I think it is important to ensure a mechanism, however that mechanism works, to give the President the authority to appoint someone who he is comfortable working with.

The only other thing I would say is, having watched Director Tenet over time sacrifice his family, sacrifice his time, I do not think 10 years is something you could reasonably expect a DCI to do. It is not possible.

Senator LAUTENBERG. Would you at all be concerned about the possibility that a President could influence decisions that might redound to his either personal philosophy or political campaigns or things of that nature? Would you suggest that this person who would head the national organization be situated right in the White House as they gather data from across the world and confer exclusively with the President's chief person? Or should there be some other means of review? Should the Congress be included in a way that is direct and readily available?

Mr. MUDD. Senator, I do not believe that the individual should sit in the White House, and I think the President made the right decision in that regard. We have a community that has spent many decades trying to build a tradition that says we should provide unvarnished and unbiased information to the President. And I think it is good to keep some air gap between the White House and the National Intelligence Director. And as I said, I think the President made the right decision in that regard.

Senator LAUTENBERG. Anybody else?

Mr. BRENNAN. I fully agree. I do not think the National Intelligence Director should be in the Executive Office of the President. There needs to be some independence and separation there.

General HUGHES. I certainly share that view, and one of the hallmarks of this community has been to be, maybe sometimes irritatingly so, independent. We ought to be able to tell the truth, unvarnished and unbiased.

Senator LAUTENBERG. These questions seem rather elementary in their focus, but put them all together, they spell enormous complication. And the other thing that I would ask in closing is that when we look at distribution of resources, we look at the risk in the areas that we are evaluating in terms of funding. We have not been able to do that so far.

Chairman COLLINS. Thank you. Senator Carper.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thanks, Madam Chairman.

A lot of questions have been asked by a lot of Senators already. I recall a comment that Senator Specter made earlier in his remarks. He led off by quoting Mo Udall, who is one of my favorite people. And I did not realize that it was Mo Udall who said—what

did he say? "All the questions have been asked but not everybody has asked them."

I heard another Mo Udall quote last week. A bunch of people had gathered at a fundraiser, and he said, "There is good news and bad news." He said, "The good news is we have all the money we need in the campaign. The bad news it is in your pockets." [Laughter.]

I think the good news here is a lot of good ideas are in your minds, and in the minds of those who testified last Friday and those who are going to testify after you here today. And part of our job is to get that good information not out of your pockets but out of your minds and into our own, to a way where we can take that information and turn it into a legislative form.

I find value in a panel like this, and particularly with the panelists to follow, to help me develop a consensus about what is the right path to follow. And we have diverse points of view. People have thought about this, worked a lot in these fields. There are going to be some areas where you are going to agree and some that you will disagree. But what I really look for is for areas of consensus.

When you look at the 9/11 panel's recommendations—the parts where you think they got it right and the parts where you think they got it wrong—which recommendations do you think we should ignore?

I think I will start off with you, Mr. Mudd, and then we will ask General Hughes and Mr. Pistole and others. Thank you.

Mr. MUDD. I guess what I would do generally as we sort of start down this road is to think about questions I would ask generally and questions that I thought through as I stepped through this. I will try not to be tactical. I will try to be strategic. There are two questions, and I think they have been raised, to quote Mo Udall, "have been raised before."

The first question, of course, that has been debated heavily is the question of authorities, the difference between a National Intelligence Director who directs and a National Intelligence Director who coordinates. I think that is a critical question that I am sure this Committee and others will be considering.

The second question, obviously, relates to how exactly you structure the National Counterterrorist Center. Do you structure an organization that coordinates? Do you structure, as someone suggested earlier, an organization that controls everything? I would argue for an organization that coordinates myself, but there is clearly room for debate here.

Those are the two fundamentals. There are some lesser issues here, but since those are the strategic issues of the day, that is how I think about it.

General HUGHES. I think the Mo Udall quote went something like that everything has been said, it just has not been said by everyone. And in this case, when you ask a complicated question, in a short period of time you want a simple answer. It just does not work.

Some of the ideas and some of the thoughts and the Commission's work, which I think is wonderful—I really do. I give them tremendous credit, and I think it was great work and will serve the Nation very well. But it is complicated, and it takes some time and

some care to get it right. And I would just like to echo things that have been said here before by Members and by members of the panel here, and, that is, some of this should be thought through very well.

Kind of on the tail end of your question here, what we should not do, I would kind of like to answer it in a positive way, if I can. Form ever follows function has been a reasonable piece of wisdom that has proven through the test of time to be worth considering. If we make the form, we might change some of the functions, and so I would like to just ask for everyone to consider the possibility that some of these functions are not well understood yet, and some of the ideas behind the structure have not yet been completely formed or understood, and they should be before we put the form in place.

Senator CARPER. Thanks, General Hughes.

Mr. PISTOLE. Senator, I think that the one recommendation that I would give is to be precise, and by that I mean be precise in what the language is, what is developed from that, because I think one of the things that we have all experienced in this post-September 11 environment is that ambiguity creates voids or problems that we all try to solve, and in doing that we probably do not work as efficiently as we should as a U.S. Government, writ large. And so anything you can do in terms—whether it is budgetary issues, authority issues, whatever that may be, the more precision you can have in delineating responsibilities and authorities, the better we will be able to carry out those responsibilities in a clear, coordinated fashion.

Senator CARPER. Thank you. Mr. Brennan.

Mr. BRENNAN. Senator, I think the 9/11 Commission got it right at the 100,000-foot level in terms of what they called for. In each of the recommendations, it points out what should happen. "Should" is a very powerful word, but with "should" comes a number of questions about how it should happen. All people should live in harmony. How are we going to actually accomplish that?

So a lot of the "should's" here I think are right in terms of the end state and the objective. But like Mr. Pistole said, there is a lot of precision that is required as far as how do you get to that "should" end state. And this, for all of its scholarship, it really just skims the surface of a lot of these very important and complicated issues.

Senator CARPER. Mr. Pistole, let me ask you a question. This would, I think, just be for you, and the issue deals with dual hatting. Under the Commission's proposals, as I recall, there are three deputies the new National Intelligence Director would operate through. They would also be deputies in their home agencies.

Now, some have suggested that this just is not workable, and people in key positions like these deputies cannot answer to two bosses. I think it was the former CIA Director and Deputy Secretary of Defense John Deutsch who said—if I remember the quote so I get this right, "Requiring the National Intelligence Director to function through three double-hatted deputies who would simultaneously be running their own agencies would sharply limit his executive authority. The National Intelligence Director could become no more relevant than the drug czar."

Now, as someone who is involved in running your own operation within the FBI and also for participating in the joint venture of the Terrorist Threat Integration Center, could you just please comment for us on how workable or really how desirable you think the structure proposed by the 9/11 Commission is with its double-hatted deputies?

Mr. PISTOLE. Yes, Senator, and, again, just to clarify, it would be my colleague, Maureen Baginski, who is the Executive Assistant Director for Intelligence, who is envisioned for one of those three deputy positions, with the possibility of a fourth deputy, the Under Secretary for Homeland Security for Information, IAIP. That is one of the challenges where that precision becomes, I think, very important because if that person and the three deputies or four deputies are expected to have a full-time job of running their own agencies' operations and still have a full-time job of reporting to the Director of National Intelligence, that is problematic.

There is obviously the responsibility of reporting and informing which could be done through the mechanism that they have set up, but I think the challenge will be in the details of what is envisioned by that deputy position. What does the 9/11 Commission recommend in terms of that responsibility? So I think you have hit a good topic on the head there.

Senator CARPER. Well, my last question for each of you, and I would ask for just a brief answer. A lot of questions have been asked of you. More are going to be asked later today and in the weeks to come in this room.

Give me a question that we have not asked you today that we should have. Give me a question that we have not asked today that we should have asked.

Mr. PISTOLE. If I could just start, that is something that most FBI agents ask at the end of an interview of somebody, so that is a good approach. But I will defer to my colleagues. [Laughter.]

Senator CARPER. Mr. Brennan, give me a question we should have asked that we have not?

Mr. BRENNAN. "Are the recommendations of 9/11 workable? Are they doable in totality?" I don't think they are. I don't think we would do a service to this Nation if we took these as they are stated and ran with them with haste. I just don't think that there is sufficient engineering, design, and consideration of all the complexities here.

Senator CARPER. Mr. Pistole.

Mr. PISTOLE. I would disagree somewhat because I think the Commission's recommendations are a blueprint. The question is in the details of implementing.

Senator CARPER. General Hughes.

General HUGHES. A similar answer. I would pose the question like this: Have we considered carefully the facts that we can understand and the unintended consequences and the possibilities before we act? Because this is vitally important to our security.

Senator CARPER. Mr. Mudd, give me one question?

Mr. MUDD. "What are the things we have learned from September 11?"

Senator CARPER. All right. Thank you all, and thank you for your service to our country.

Thank you, Madam Chairman. Notice I was the only person on the Committee who has not praised you for holding these hearings during the middle of our——

Chairman COLLINS. And I will remember that. [Laughter.]

Senator CARPER. Well, I will see you—what is it? The 16th?

Chairman COLLINS. Yes, you have a chance to redeem yourself.

Senator CARPER. I will try.

Mr. MUDD. I would like to point out, Senator, the panelists also have not praised the Chairman, but we will not—— [Laughter.]

Chairman COLLINS. Senator Levin.

OPENING STATEMENT OF SENATOR LEVIN

Senator LEVIN. Madam Chairman, let me begin by heaping praise on you and Senator Lieberman for calling these hearings. I want to make up for Senator Carper's faux pas. [Laughter.]

Senator CARPER. It is not the first time he has done that for me.

Senator LEVIN. We created TTIC in order to fuse intelligence so that we would have it all coming, relative to foreign intelligence, to one place and we could make an assessment, that we would avoid the problems that we had on September 11 where information that one agency had fell through the cracks, was not shared with other agencies. Indeed, in some cases it was not even shared within its own agency in the case of the FBI particularly.

Now that we have the TTIC in place. What are the shortcomings in TTIC that the new Counterterrorist Center would make up for?

Mr. BRENNAN. The overall framework that we have talked about before——

Senator LEVIN. That is too general. I want to get to Mr. Pistole's point. Give me real specifically, what do you not have that you need?

Mr. BRENNAN. We do not have right now the sufficient number of analyst managers in order to carry out that primary responsibility for terrorism analysis in the U.S. Government.

Senator LEVIN. Then you ought to get them.

Mr. BRENNAN. Right. And we are in the process of getting them now.

Senator LEVIN. Fine. Now you have them. Now, is there anything that you need that you do not have besides analysts? Because the new Counterterrorist Center will have the exact same problem. They have got to get analysts, too.

Mr. BRENNAN. Right.

Senator LEVIN. Other than that issue, which is an issue for any center that is going to fuse information, what do you not have now that you need, specifically?

Mr. BRENNAN. For the TTIC build-out or for the National Counterterrorism Center concept?

Senator LEVIN. To fuse all intelligence, to give us intelligence assessments of foreign terrorists that fuse all of the information from all of the sources.

Mr. BRENNAN. We are on the path to getting all the technology we need to bring together that architecture so we can do those federated searches and connect the dots. That is a process——

Senator LEVIN. You are on that path?

Mr. BRENNAN. We are on that path.

Senator LEVIN. Will this speed it up if we create a new center?

Mr. BRENNAN. It will enable it, I believe, as recognition that it is the center of gravity within the U.S. Government on this.

Senator LEVIN. Will it speed up the gaining of technology? Will we get it faster if we create a new center?

Mr. BRENNAN. If we are going to be talking about a new center that is going to have, in fact, more partners involved in it, because there are five partners in TTIC. But if we are actually going to extend it with a National Counterterrorism Center, one of the things we are trying to do is to identify the universe of information that is out there that has any relevance to terrorism.

Senator LEVIN. Is there any reason you cannot extend the TTIC to include those other elements?

Mr. BRENNAN. We are in the process of doing that right now.

Senator LEVIN. All right. Other than what you are in the process of doing, what are we going to accomplish by creating the NCTC?

Mr. BRENNAN. OK, well, that is then a different issue, which is putting into this construct then this joint operational planning and responsibility and orchestration. That is the major difference between TTIC now and this.

Senator LEVIN. OK. That is the operational piece. I am not talking about that. I am talking about in terms of assessing information and intelligence to give us one assessment from all sources of all intelligence related to foreign terrorism. The assessment side, that is what I am focusing on, because that is where the major failures were. The major failures were assessments, information that did not get to where it had to go, information which was ignored, information which was not shared. On the information side, on the assessment side, is there anything that this new center is going to do other than hopefully have more analysts, which you can get, other than adding elements of sources of information, which you are in the process of getting, is there anything that it is going to add on the assessment side to what TTIC is doing or in the process of doing?

Mr. BRENNAN. Analysis has many different aspects to it. It is not just doing assessments. Those are the finished products that go out. It is also empowering the analytical capability that is going to empower the operational activities. So, again, part of an overall framework that is going to make sure that the National Counterterrorism Center is hooked up and provides the information and establishes the sharing mechanisms, because information sharing is a very complicated issue, to make sure that a very sensitive piece of information that the CIA collects is able to get to the Department of Homeland Security and then beyond to the Federal and State level.

Senator LEVIN. You cannot do that now?

Mr. BRENNAN. Right now, we are, again, on that path. It is a build-up in 14 months.

Senator LEVIN. When you get to where you are going, will you be able to do the same thing that the NCTC can do?

Mr. BRENNAN. Without the operational function. I think that is what is envisioned.

Senator LEVIN. Exactly right.

Mr. BRENNAN. Right.

Senator LEVIN. Putting aside operational function.

Mr. BRENNAN. Right. I think that was the plan, to keep moving forward with the TTIC model.

Senator LEVIN. OK. So putting aside the operational side, in terms of accumulating, giving assessments and giving estimates, you can do the same thing on the path you are on when you reach that goal as the projected NCTC can do?

Mr. BRENNAN. That is exactly right as far as what our analytic capability is going to be able to allow us to——

Senator LEVIN. So it is the operational issue which is the key question, whether we want to add that to the—or have that exist in the NCTC.

Now, very quickly, if you can, each of you tell us, what are the—putting aside the issue of you do not want this new entity to go into the Executive Office of the President. You have all said that. What are the two top differences between your individual views and what the 9/11 Commission has recommended? General Hughes, let me start with you.

Just, specifically, quickly, the two differences that you have with the 9/11 Commission, other than you would not put this new entity, if we create it, in the Executive Office of the President.

General HUGHES. Well, the 9/11 Commission is a broad treatment of many problems that now require details to put into effect, and those details are not yet present in common understanding. That is one.

Senator LEVIN. That is not one. I am talking about specific recommendations that you disagree with, other than the Executive Office of the President issue. There are a lot of recommendations.

General HUGHES. Sure. I will give you—I can only give you one.

Senator LEVIN. That is good. I will settle for one quick one.

General HUGHES. The three deputies should not be three, if we have deputies, and that's a question we have to discuss. There should be four. We are quite different from the Federal Bureau of Investigation.

Senator LEVIN. All right. You want four deputies instead of three. Should they be dual-hatted?

General HUGHES. A very complex issue for me. I, personally——

Senator LEVIN. Is that a yes or no?

General HUGHES. Yes.

Senator LEVIN. Mr. Mudd.

Mr. MUDD. The specific structure laid out on—I think it is Page 413—I agree with Mr. Brennan, I do not believe that National Intelligence Director structure is workable.

Senator LEVIN. You do not believe what is workable?

Mr. MUDD. That the structure that is laid out on the diagram on Page 413——

Senator LEVIN. And what specifically is not workable?

Mr. MUDD. It is too diffuse an effort, and I am not sure I buy the dual-hatted piece myself.

Second, if there is a vision that every element of everything we should do should be consolidated in one center, and I am not sure that this actually advocates that, I would not support that.

Finally, and very specific, there is a paramilitary recommendation in here that I do not believe we should pursue.

Senator LEVIN. Which is to put all of the paramilitary activity into the Department of Defense.

Mr. MUDD. That is correct, sir.

Senator LEVIN. Thank you. Mr. Pistole.

Mr. PISTOLE. The one that I would question is on the dual-hatting of the deputies and question——

Senator LEVIN. Is there a second one besides that?

Mr. PISTOLE. That is the major one, no.

Senator LEVIN. And do you agree that the Executive Office of the President should not be the place where this is located?

Mr. PISTOLE. I think that is a policy matter that I don't have a strong opinion on.

Senator LEVIN. You were the only one that did not give your opinion on that one.

Mr. Brennan, in addition to what you have already said, because you have been very clear about it, specifically, two recommendations that you disagree with.

Mr. BRENNAN. Again, the structure, I do not think it will work. There are issues about the CIA, in terms of what you want the CIA to do, and I think that is a very legitimate issue that has not been addressed here. They still have all sorts of analyses and clandestine services under the CIA, but they have taken out paramilitary, and I think the CIA should get back to its roots, in terms of clandestine operations activities, espionage, covert action, and that should be the focus, and that should be the real sort of driver of that U.S. activity.

Senator LEVIN. Do you all agree that TTIC right now has the primary responsibility for terrorism analysis, except information relating solely to purely domestic terrorism? Do you all agree with that?

[Witnesses nodding yes.]

Senator LEVIN. By the way, I am glad that is clear because Senator Collins, Chairman Collins and I spent a year trying to get that statement, as to who has primary responsibility for terrorism analysis. It took one year for all of the agencies to get that in writing. We are not moving quickly enough, folks, if it takes a year, when we are in the middle of a war, for four agencies to agree on who has primary responsibility for intelligence analysis.

The intel assessments—I guess this is my last question—which are now done, the assessments and analyses which are now done by TTIC, Mr. Brennan, where do they go from you?

Mr. BRENNAN. Depending on what they address, they go many different places. There are many different constituencies that are out there for the receipt of those assessments. What we do is make sure that we have a robust dissemination system, and what we in fact have now is something called TTIC On-line, which is a top secret website that gets out to people.

Senator LEVIN. Do they all go first to the DCI?

Mr. BRENNAN. They go simultaneously to hundreds and thousands of people.

Senator LEVIN. But does the DCI have a role in those assessments and in those analyses before you conclude them?

Mr. BRENNAN. No. TTIC has the final review authority and release authority for those assessments.

Senator LEVIN. And so the Director of the CIA and the DCI does not influence—well, it could influence—but it does not have any role directing, deciding what goes in those analyses now and those assessments.

Mr. BRENNAN. Since TTIC has stood up, never has there been an assessment that has had to go through the DCI.

Senator LEVIN. And you understand that would be the same with the NCTC or do you not know what that would be?

Mr. BRENNAN. That is my understanding as well that the head of the NCTC would have that final release authority.

Senator LEVIN. Release, but would have no role in terms of the assessment or in terms of the analysis.

Mr. BRENNAN. Well, the analysis——

Senator LEVIN. I am looking for independence. We did not have independence.

Mr. BRENNAN. Exactly. We want to make sure, especially in NCTC, that analytic independence is maintained separate from operations and policy considerations, yes.

Senator LEVIN. And separate from the National Director?

Mr. BRENNAN. As far as the National Director has oversight over the entire system, but I think there needs to be, from the part of the NCTC head, that analytic, integrity and independence that is going to put things out. And that is the way it is right now, and I expect it to be that way in the future.

Senator LEVIN. Thanks.

Chairman COLLINS. Thank you.

I want to thank our witnesses on this panel. You have been extremely candid in your assessment and in responding to our questions. We appreciate your service. We will be in touch as we continue this investigation or examination.

Yes, Senator Lieberman?

Senator LIEBERMAN. I just want to add a final word of thanks, join Senator Collins in doing that, and to say I was very taken with the fact that, in the first go-around, about what you are most lacking, each of you said adequately trained personnel. And we have got to figure out how to help you create, in some sense, a marketing campaign like the old "Uncle Sam Needs You" because intelligence is the front line of the war on terrorism.

And I just believe there is a generation of Americans out there who would respond to that call to duty if we frame it in the right way. And I hope you will think about that, and you will ask us, and your respective agency heads will come back to us and ask us for the money to fund that because that is critical.

Chairman COLLINS. Mr. Mudd.

Mr. MUDD. Just one comment. We can recruit them, we can train them, we just need to have the flexibility with you to get enough of them.

Chairman COLLINS. Thank you. Senator Shelby.

Senator SHELBY. I have just one observation. Thank you, Madam Chairman.

I think in all major legislation initiatives, there will always be winners and losers. The details will come from the architecture coming out of this Committee, and it will spell it out. I think we need to be very careful as we approach this not to weaken or per-

haps begin the dismantling of the CIA because I think that is very important because the CIA does things for us other than just dealing with counterterrorism, which is very important.

And I think, Madam Chairman, as we move along here, we better be very careful in that regard.

Senator LEVIN. Madam Chairman, will the record be kept open for all of us for questions?

Chairman COLLINS. It will, indeed. We have another panel, just so that people understand that, and the record is going to remain open for 5 days for additional questions of these witnesses, as well as our second panel.

Again, I thank you very much for your testimony this morning, and I call forward the second panel of witnesses.

[Pause.]

Chairman COLLINS. The Committee will be in order.

We will now hear from two individuals who, as the lead staff members of the 9/11 Commission, have devoted the last year and a half to understanding the events that led up to the September 11 attacks and our Nation's antiterrorism preparedness and response.

Philip Zelikow is the Executive Director of the Commission. He also is director of the Miller Center of Public Affairs and is a professor of history at the University of Virginia.

Christopher Kojm is the Deputy Executive Director of the 9/11 Commission. He is a former Deputy Assistant Secretary for Intelligence Policy at the State Department and served as a senior staff member on foreign policy for Representative Lee Hamilton, the Vice Chair of the Commission.

We welcome you here today. We very much appreciate the extraordinary public service that you have rendered over the past year and a half, and we look forward to your statement.

Mr. Zelikow, we will start with you.

TESTIMONY OF PHILIP ZELIKOW,[1] EXECUTIVE DIRECTOR, NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES, ACCOMPANIED BY CHRISTOPHER A. KOJM,[1] DEPUTY EXECUTIVE DIRECTOR, NATIONAL COMMISSION ON TERRORIST ATTACKS UPON THE UNITED STATES

Mr. ZELIKOW. Madam Chairman, Senator Lieberman, and Members of the Committee, thank you for inviting us to appear.

This Committee is preparing recommendations to the Senate for government reorganization, especially for counterterrorism and intelligence. You have already heard from our chair and vice chair. They summarized the Commission's recommendations.

We are here to follow up on specifics, specifics about the recommendations, specifics about why the Commission made certain choices and specific responses to some of the concerns that have been voiced, but before plunging into details, we urge you to keep the big picture in view.

The Commission made recommendations about what to do, a global strategy and how to do it, reorganizing the government.

[1] The joint prepared statement of Mr. Zelikow and Mr. Kojm appears in the Appendix on page 96.

Today, we do not have a government capable of implementing the global strategy we recommend.

Confronting a 21st Century set of threats, we recommended a 21st Century set of strategies, and we were compelled to look at a 21st Century approach to government. These are not just catch phrases. The Commissioners brought vast accumulated experience in both the Executive and Legislative Branches of Government. I have worked in every level of government—Federal, State and local—and either for or with almost every national security agency we have. Chris Kojm spent 14 years on the Hill and over 4 years more as the State Department's representative to the Intelligence Community.

We are practical people, but with our Commissioners, we had to think globally, across the world and across America's Governments, from a firebase near Kandahar to a firehouse in Lower Manhattan. We had to think in time charting the way our government has performed yesterday, today, and tomorrow, and we had an exceptional opportunity to research, reason, consult, and decide what it all meant.

Returning to that big picture, let us focus for a moment on two of our five main organizational recommendations for counterterrorism and for intelligence.

Counterterrorism. The Executive Branch of our government is organized in accordance with the best management principles of 1950. We have large, vertically integrated industrial-sized behemoths. What, therefore, happens is that each of the agencies does its job and then tries to get others to cooperate and vice versa. If they need a lot of help from other agencies, they create their own interagency processes.

The CIA, for instance, runs an interagency meeting at 5 o'clock almost every day to enlist help in working on the daily threats. But that is only the best-known example. Analogous meetings occur in meetings run by the FBI, by the Military Central Command, by the Military Special Operations Command and so on.

As for intelligence, each major agency tries to build its own Fusion Center. This was the basic pattern before September 11. Take, for example, the Moussaoui case. Moussaoui was arrested in August 2001 because of his suspicious behavior at a Minnesota flight school. The FBI in Minneapolis took charge of the case, worked it hard, and ran into frustrating problems in pursuing the investigation.

None of the senior managers at the FBI heard about the case or these problems, but good news—the arrest was brought to the attention of the top official at the CIA. DCI Tenet was told about the case in late August. "Islamic Extremist Learns to Fly" was the heading on his briefing.

We asked him—I asked him—what he did about that. His answer was that he made sure his working-level officials were helping the FBI with their case.

"Did he raise it with the President or with other Agency counterparts even at the FBI?"

"No," he answered, "with some heat. After all, it was," he insisted, "the FBI's case."

There is one example of the pattern—vertical integration, even a willingness to cooperate, but no joint analysis, not joint planning, no connection of the case to the national intelligence picture of imminent attack, no involvement by the White House. No one there even learned about the case until after the September 11 attacks. Other illustrations can be found in the report, especially in Chapter 11 and Chapter 8.

Since September 11, we saw evidence of an enormous expansion of effort with more numerous and stronger participants, including three unified commands in the Defense Department and an entirely new Cabinet Department working in the same outdated, redundant and fragmented system, producing energetic, often effective, but disjointed analysis and action managed by constant improvisation led by a greatly 50-percent enlarged White House staff and proliferating interagency working cells around the government.

Since terrorism poses such a revolutionary challenge to old ways of Executive management in our national security bureaucracy, counterterrorism requires an innovative response.

Mr. KOJM. One source of inspiration for us was in national defense. During World War II, the United States created a joint staff that works for the Chairman of the Joint Chiefs of Staff. Plans and operations were still mainly formulated by the different services—the Army, Navy, Air Force, and Marines—but the Joint Staff tried to coordinate their efforts. Experience showed this coordination was not good enough. Since the passage of the Goldwater-Nichols Act of 1986, the structure has changed again.

The Chairman of the Joint Chiefs and the Joint Staff became much stronger. The Joint Staff developed joint analysis and joint planning for joint action. Then, those plans were directed and executed by combatant commanders or the military departments. The military processes are far from perfect, but few, if any, commanders would prefer to go back to the old model.

Our recommendation calls for a National Counterterrorism Center. The Director of the NCTC should be the President's principal adviser on counterterrorism, intelligence and joint operations.

The NCTC Directorate of Intelligence—its "J–2"—should have primary responsibility in the U.S. Government for analysis of terrorism and terrorist organizations from all sources of intelligence, whether collected inside or outside of the United States. It should be the reference source for all source information about suspected terrorists, their organizations, and their likely capabilities. It should propose relevant intelligence collection requirements for action by national and departmental agencies inside and outside of the United States. It should have primary responsibility in the U.S. Government for net assessment and warning about the terrorism danger, comparing enemy capabilities with assessed national vulnerabilities.

The NCTC Directorate of Operations—or the "J–3" in military parlance—should have primary responsibility for providing guidance and plans, including strategic plans for joint counterterrorism operations by the U.S. Government. The NCTC would not break the formal chain of command for Executive agencies, just as the Joint Staff today is not part of the formal chain of command be-

tween the President, the Secretary of Defense, and combatant commanders.

If the heads of Executive departments disagree with the joint plan, then the NCTC should accede or take responsibility for elevating the issue to the National Security Council and the President in order to obtain needed decisions. The NCTC should have substantial overall responsibility and accountability. It must track cases, monitor the implementation of plans and update those plans to adapt to changing circumstances inside and outside of the United States.

Organization of national intelligence. The present organization of national intelligence embodies the same management weaknesses we identified in counterterrorism, but on a much larger scale and touching many other subjects. Our report identified various weaknesses.

President Bush has acknowledged the need for a National Intelligence Director separate from the head of the CIA. Senator Kerry shares this judgment. We hope you will agree.

Our recommendations flow from several aspects of the September 11 story. In December 1998, DCI Tenant sent a memo to the senior managers of the Intelligence Communities saying they were at war against bin Laden and his associates. A maximum effort was needed. There was no evident response. We critiqued the DCI's management strategy for this war, but since he would have been hard-pressed to implement even an ideal strategy, there was less incentive to devise one.

We view this recommendation as an enabling, empowering idea. There are many particular management issues in the Intelligence Community: Reallocating money, improving human intelligence, improving the quality of all-source analysis and better integrating open-source information. These are just a few. Only a modern management structure can enable the Intelligence Community to achieve these goals. Only such a structure can achieve the unity of effort and efficiency needed where funds are not unlimited and hard choices must be made across agency lines.

In national intelligence, the work is done by a number of agencies, vertically integrated with weak central direction or control. The private sector has increasingly turned to other management approaches to get lean, horizontal direction across the large operating divisions. This is sometimes called the Matrix Management Model. It is employed by firms like Citigroup and General Electric.

In national defense, two innovations were key. One was the horizontal direction provided by the Joint Staff, the other was the establishment of more powerful unified commands for joint action. The military departments had the job of organizing, training and equipping the capabilities to be used by these joint commands. There are, thus, two lines of authority to the Secretary of Defense; one goes to him from the unified combatant commands, such as CENTCOM, SOCOM and NORTHCOM. Another goes to him from the military departments—Army, Navy, and Air Force.

Another source of inspiration for us was the emerging view within the CIA in favor of what one manager called "the integration imperative" for working on key targets. Some writers have called for the creation of "joint mission centers," bringing together experts

from several disciplines working together on a common problem like terrorism or proliferation.

Borrowing some of these ideas from the private sector and from government, the Commission thus recommended a National Intelligence Director and a different way of organizing the intelligence work in the government.

Mr. ZELIKOW. The National Intelligence Director should be the principal intelligence adviser to the President and the National Security Council. Certain authorities must be clear: The Director should receive the appropriation for national intelligence. Such appropriations are now made in three programs: The National Foreign Intelligence Program, the Joint Military Intelligence Program, and the Tactical Intelligence and Related Activities Program all to the Secretary of Defense. These programs should be consolidated into two—a national intelligence program appropriated to the National Intelligence Director and consisting of the current NFIP and probably much of the current JMIP, and a departmental appropriation for systems and capabilities that will only be used by the Department of Defense.

The overall appropriation should be unclassified, as should the top-line appropriation for the principal intelligence agencies. Congress and the American people should be better able to make broad judgments about how much money is being spent and to what general purpose.

The Director should have hire and fire authority over the heads of the national intelligence agencies and the principal intelligence officers of the Defense Department, the FBI, and the Department of Homeland Security.

The Director should be able to set common standards for interoperability across the Intelligence Community for personnel, in part, to facilitate joint assignments, for security, to reduce unnecessary or inadvertent compartmentation and for information technology.

The National Intelligence Director should have two principal lines of authority, both crossing the foreign-domestic divide. The first line of authority should extend to National Intelligence Centers organized for joint missions. These centers, the unified commands of the Intelligence Community, should provide all-source analysis drawing on experts from a number of agencies. Guided by their analytic work, they should be able to propose collection requirements and task assets. Conflicting demands would be resolved by the National Intelligence Director.

The National Intelligence Director's second line of authority should extend to the national intelligence agencies and the departmental entities that should be the capability builders for the Nation's intelligence. They should hire, organize, train, and equip the people and operate the major systems and platforms.

The CIA would take the lead in foreign intelligence, concentrating on training the best spies and analysts in the world.

The Defense Department would take the lead in defense intelligence, honing that craft and acquiring and operating key national technical systems.

The Homeland Security Department and the FBI would take the lead in homeland intelligence, harnessing the great potential

knowledge accumulated in the new department and fostering, with the leadership of the National Intelligence Director, the FBI's management reforms to improve its performance as an intelligence agency.

In the exercise of the second line of authority, over the capability building agencies, we propose that the National Intelligence Director would share authority with the department head who owns and operates those capabilities for the Nation.

These key managers, such as the Director of the CIA, should be the NID's deputies. These shared authorities exist now, of course, in the status quo. In the status quo, the balance of authority favors departmental direction, not national direction. We propose altering that balance.

The alternative to shared authorities would be to place the capability-building agencies under the authority of a single official, in effect, creating a Department of Intelligence. We were not convinced of the need to take that further step.

One issue that has arisen is the question of whether to place the NID or the NCTC in the Executive Office of the President.

One, we ask you not to lose sight of the overall goal. The authorities of the Director and the organization of intelligence work are critical, wherever they reside.

Two, we recommended the Executive Office of the President because of the need for proximity to the President and the National Security Council and because of the centrality of counterterrorism in contemporary national security management.

Three, if not put in the Executive Office of the President, one alternative would be to create a new agency as a home for the NID and the NCTC. Lacking any existing institutional base, such an option would require authorities at least as strong as those we have proposed or else it would create a bureaucratic fifth wheel that would make the present situation even worse.

Another alternative would be to place the NID and/or the NCTC in another existing agency or department, such as the CIA or the Defense Department. These alternatives then have their own serious drawbacks, such as the risk of confusing the mainly foreign responsibilities of the CIA and the circumscribed domestic responsibilities of the Defense Department, with the broader domestic and foreign span of control being exercise by both the NID and the NCTC.

Placing the NID in the Executive Office of the President would have little effect on politicization. Those dangers have always arisen from the functions and relationships that go with the job, regardless of where the person sits, whether at Langley, the Pentagon or in the Eisenhower Executive Office Building. Those dangers should be offset by selecting a person who believes the President is served by rigorous truth-telling and by making the NID and NCTC Director fully accountable to Congress.

To keep the bright line between policy and intelligence, there is no substitute for the integrity of the person selected for the job, no substitute for probing questions by policymakers, and no substitute for rigorous congressional oversight.

In closing, we wish to caution, as Chairman Kean and Vice Chair Hamilton did last Friday, against cosmetic change. Creating a Na-

tional Intelligence Director that just superimposes a chief above the other chiefs without taking on the fundamental management issues we identify is a step that could be worse than useless.

Also, please do not forget the strategy, the substance at the heart of our recommendations. Do not forget, though it may be the work of others, the other organizational suggestions we make, especially in information sharing and for reshaping the oversight work of the Congress.

Many voices will rightly caution you against undue haste, but the Commission did not act with undue haste in developing these recommendations, as it built on ideas that, in some cases have been debated for more than 20 years. President Roosevelt, Secretary Stimson, and General Marshall did not act in undue haste when they created the Joint Chiefs of Staff to cope with weaknesses made evident by war. The Congress and President Truman did not act with undue haste in rapidly adopting a National Security Act in 1947 that, among other things, created a Secretary of Defense vehemently denounced at the time as an unnecessary bureaucratic layer.

A rare opportunity has emerged to recover common purpose and take common action across partisan lines, even amid a hotly contested election. Such opportunities take the measure of leaders. We have been deeply impressed by the readiness of our Nation's leaders in both parties to step up and call for prompt action. The response of the Congress, of the Senate and House leadership and of this Committee has already moved into unprecedented ground. You have already stepped beyond what was probable to consider what is possible. Thank you.

Chairman COLLINS. Thank you for your testimony. All of us have scheduling pressures this afternoon, but Senator Specter does have a plane that he is trying to catch. So I am going to allow him to do the first round of questions.

Senator SPECTER. Thank you very much, Madam Chairman.

Gentlemen, congratulations on a fine report, and congratulations to your colleagues on the staff. We know how much credit is due the staff, so we thank you.

Starting with the issue of double hatting, and taking for example the double hat in the Department of Defense, you already have the very forceful testimony of Secretary Rumsfeld in opposition. How can it really work if you have a national director telling the deputy in Defense what to do, and the deputy in Defense has to respond to the Secretary, and inevitably there will be a situation where the Secretary of Defense will disagree with the National Director, and will tell the deputy in Defense what the Secretary wants? How can that person really, as the old saying goes, be accountable to two masters? Mr. Zelikow.

Mr. ZELIKOW. The accountability to two masters is a dominant feature of the status quo, sir. So right now the Director of the NSA has two masters. The Director of the NGA has two masters. And, boy, they know it. So the problem is not whether or not you have two masters or not, it's how you weight the power between them.

We think right now that balance of power is heavily tilted towards departmental priorities to the department that owns their budget. And we suggest that balance needs to be altered so that

national priorities are dominant. If there's a conflict, sir, then that needs to be taken to the National Security Council and the President.

Senator SPECTER. It is very "problemsome" in my opinion to structure reorganization, where you are going to have to take the problems to the President. He is a pretty busy guy.

Picking up on the issue of budget, do you think a National Director of intelligence has a chance to be successful, Mr. Kojm, if the Director does not control the budget?

Mr. KOJM. Senator, I think it's highly problematic at best if he does not control the budget to conduct the responsibility we believe he needs to conduct.

Senator SPECTER. Mr. Zelikow, when we talk about splitting off the counterintelligence of the FBI, I think that can be done. You have the CIA for foreign intelligence. But when it comes to the Department of Defense and you have the strategic intelligence, how do you structure intelligence in the Department of Intelligence Agency so that the battlefield issues remain under the control of the Secretary of Defense as opposed to the intelligence matters and other lines?

Mr. ZELIKOW. I think, sir, you have to avoid disrupting the operational control of the executive agencies over their line people in the field, and we try to avoid doing that. Sir, the problem is this is the problem the private sector routinely confronted in the 1960's and 1970's as they adopted the matrix organization models that are now commonplace and have been now for 20 years in most of the large multinational corporations. This was actually innovated a lot in the aerospace industry in response to Pentagon demands. They have to preserve the concept of unity of effort while responding to multiple bosses.

And to the credit of the Department of Defense, they addressed this issue very clearly and early in the 1980's. They have, in effect, a joint staff that provides joint plans, but does so without inserting the joint staff into the operational chain of command.

Senator SPECTER. The issue about putting the National Director in the Executive Branch in a nonconfirmed position would characteristically not provide for congressional oversight which is a very strong recommendation that the 9/11 Commission has made. Would it be giving up just too much not to have—and the President has come forward with a national director to be confirmed by the Senate, so you are going to have the traditional oversight. How do you reconcile the strong 9/11 Commission position on tough oversight with the creation of a national director who would not be subject to congressional oversight?

Mr. ZELIKOW. I think we understand the President and the 9/11 Commission as being in agreement on the issue of Senate confirmation of the National Intelligence Director. What has not yet been specified is whether the Director of the National Counterterrorism Center also would be Senate confirmed. On that point the Senate was silent, and the Commission has not been silent.

Senator SPECTER. Thank you very much, Madam Chairman.

Chairman COLLINS. Thank you. Senator Lieberman.

Senator LIEBERMAN. Why do you not go ahead?

Chairman COLLINS. Thank you.

I want to follow up on the testimony that we heard earlier today from the director of TTIC in response to questions that Senator Levin raised, and also in my private conversations with Director Brennan. It is evident that he has had difficulties in getting the resources, particularly the trained experts that he needs to staff the center. What would make the scenario any different when it comes to a National Counterterrorism Center? I think the idea of a fusion center staffed with our very best experts is the way to go, but I know from visiting TTIC that many of the analysts, while very hard working and bright, are extremely young and inexperienced. What would be different about the center that would allow it to avoid those same problems?

Mr. ZELIKOW. Thank you, Senator. I listened to that panel too, very impressive officials, outstanding officials. And they all described that personnel problem, and it was like four doctors all saying the patient has a terrible fever. But then you say yes, and what's causing that fever? I mean, why is it that they're having these personnel problems? And it's a fundamental issue of supply and demand, as demand is outstripping supply. Why is demand outstripping supply? It's because all the vertically integrated bureaucracies have to take first claim on their own, they are creating redundant capabilities, and the joint entity has no capacity to attract or compel the attendance of the best and the brightest.

Under the proposal we suggest, backed by the authority of the proposed National Intelligence Director and the President, the NCTC should be much more likely to recruit outstanding analysts, including experts in using single-source information like those at the NSA. What TTIC now does is it makes due with the analysts other agencies can spare.

I think there was actually a rather acute question on that point that called attention to the disparity between TTIC's manpower goals and what it's been able to attain, because first the agencies satisfy their own pressing demands, including their own fusion centers. You can make those joint assignments more attractive to the personnel if you have joint personnel policies set across the Intelligence Community that encourage and facilitate joint assignments. Personnel standards that we propose also should be set by the National Intelligence Director.

Chairman COLLINS. One of the major differences between the proposed center and TTIC is the Counterterrorism Center would have a role in operational planning. Your recommendation in that regard is different from the conclusion reached by the Gilmore Commission back in 2002. That commission also called for the creation of a national counterterrorism center, but did not give the center, or propose that the center have an operational role. That is going to be a major issue for this Committee to decide. Would you elaborate more on the Commission's belief that the center should have an operational role?

Mr. ZELIKOW. Yes, ma'am. Two things informed us that were unavailable to the Gilmore Commission. First, we studied the September 11 story, and problems in transnational operational management, as we elaborate in Chapter 11 and other places, are just central to that story. Second, we spent a lot of time trying to understand how the system is working today, and the problems of

joint planning and joint operational management are actually—they're not terribly visible to Congress because they're very much inside the Executive Branch, but they are absolutely central.

If you were to go as we did—and we went at a particularly bad time—to Pakistan and Afghanistan, and look at how they're working the hunt for bin Laden across agencies on both sides of that border with differential legal authorities, and look at, well, where is the joint strategic plan for the hunt for bin Laden? Where is the person who is in charge every day of the integrated strategic plan that updates that plan every day of how we're hunting bin Laden?

There is no such joint integrated plan. There isn't a joint integrated planner for that hunt. There is instead a number of disparate agencies with different legal authorities all doing their thing, and then meeting every day in a series of meetings in many places, trying to make it all converge.

Chairman COLLINS. I support most of the Commission's recommendations, although I may differ on the details. But one that causes me considerable concern is the recommendation that paramilitary operations be transferred from the CIA to the Pentagon. Over and over when I talk to intelligence experts, they question the wisdom of that transfer and point out that the CIA has an agility that the Pentagon lacks. Why did you reach the conclusion that responsibility should be transferred to the Department of Defense?

Mr. ZELIKOW. Senator, we concluded that the country cannot afford building basically two Fort Braggs, one in North Carolina and one out of Camp Perry, and that we need to have two capabilities to both operate and train people to operate crew served weapons, small unit assault tactics and so on. We saw in the September 11 story where the CIA—and it's in the report—where the CIA took the lead in designing a major small unit assault operation, a capture operation in 1998. And because the CIA did it, it was regarded as an amateur operation and was not seen as credible by national policy makers. It went by the Joint Staff, and they said, "Well, it looks pretty good but we take no ownership of it." Had the Special Operations Commander at the time, General Bocanavan, come in and said, "This is my plan and I think it works," we think that whole capture operation story is a different story.

I'll add that there are a number of issues which we can't get into in open session, having to do with legal authorities and operations in the field that are complications.

I think it's frankly, the culture issues you see is basically the elephant versus the gazelle stereotype. The problem is those culture issues partly arose precisely because of these organizational stovepipes. I think if you—and instead we'd say, "Well, we have to keep those organizational stovepipes because these people have evolved into elephants and gazelles." That's just not, we think, the right management approach. I think a better approach would be to try to address the culture issues by getting the CIA and DOD cooperating on the ground, training exercises and joint planning, so that special ops is challenged to develop that kind of agile culture working with the CIA, and I think they'll meet that challenge.

Chairman COLLINS. Thank you. Senator Lieberman.

Senator LIEBERMAN. Thanks, Madam Chairman.

Thanks to the two of you for your extraordinary service to the Commission. I must say, I listened very intently to your testimony today, and again, I thought it was eloquent. I thought it was bold, and I thought it was, for me, ultimately convincing, just as the Commission's Report was. You are going to need to continue to have all those characteristics, and so are Governor Kean and Congressman Hamilton, because you can feel the resistance building to the changes, or if not a direct confrontation or opposition to what the Commission has recommended and embraced, but maybe not with all the details.

So as I said earlier, I was encouraged by the President's embrace of the National Intelligence Director yesterday, but troubled that he is reluctant or opposed to giving the director the budgetary authority needed to be strong.

We got some of the same from the panel that preceded you of four extraordinary public servants, and yet extraordinary within those stovepipes, and I think still reluctant to—I believe Lee Hamilton said—smash the stovepipes. The stovepipes are now cooperating more, but there is no real coordinating. As you just said a moment ago, almost 3 years after September 11, there is still nobody in charge of the hunt for bin Laden, not to mention the overall Intelligence Community. So we have a battle ahead of us, but it is critical that we fight it and we win it.

Let me ask you to comment first on the President's statement yesterday, what you understand to be his position on budget authority for the NID. Incidentally, General Hughes did seem to support it this morning. I appreciated that. A couple of the others were uncertain. Then there is some language about the Counterterrorism Center in the President's statement that seems to suggest action, planning, jointness, but not clearly. How do you read what the President said yesterday, and what is your reaction to it?

Mr. ZELIKOW. And I'd like to ask Chris also to comment on this question.

I saw the President's statement yesterday and the elaborations of it as a constructive opening for the development of important ideas into concrete detail. I was struck by the four panelists this morning at the constructive tone they all adopted to the recommendations.

Senator LIEBERMAN. That is a very good point with regard to both the President and the four, that even though there may be disagreements and some resistance to your recommendations, but we are beginning a dialog here.

Mr. ZELIKOW. Yes. And from our point of view, the way forward here is not to point fingers, but is instead to look for people who want to roll up their sleeves and work together. When I heard people's whose work I admire very much say, "I basically agree with what they're trying to do. I have all these questions about details. I really want to get into the design work," that's terrific. Then we can really have a good constructive discussion on how to proceed.

Senator LIEBERMAN. Let me focus the question. John Brennan said today that he thought that your proposal was unworkable. That was the term that he used.

Mr. ZELIKOW. Well, in an earlier answer, he seemed to like the NCTC idea very much. It was the overall structure of the Intelligence Community and the Goldwater-Nichols structure we proposed that I think both he and Mr. Mudd regarded as unworkable.

Look, it's hard. If they have a better solution that they would like to propose, a chart of their own, even at the 100,000 foot level, we'd welcome examining constructive alternatives, and comparing and contrasting them, and try to find the most attractive features that you judge to be worth writing into law.

Senator LIEBERMAN. But for now you would say that what you have recommended is the best you have seen yet?

Mr. ZELIKOW. Look, it's hard to actually come out there and actually be—and say, "Here is what we want," rather than just kind of poke potshots at the weaknesses of other proposals.

Senator LIEBERMAN. But you would not have done your job if you did not make specific recommendations. Let me ask you a question that Senator Levin asked Mr. Brennan. Apart from the absence of joint operational planning, which is clear you are adding to the Counterterrorism Center, how will the Counterterrorism Center be different from the Terrorism Threat Integration Center, TTIC?

Mr. ZELIKOW. Well, the intelligence side of it would be I think pretty significantly different, but the operations side of it is totally different.

Senator LIEBERMAN. So how would the intelligence side be different?

Mr. ZELIKOW. On the intelligence side, let me just cite a few striking points. First, we all agree that the NCTC and the TTIC should be the knowledge bank, primary responsibility, the words you fought for for years, Senator Levin, but it would draw strategic analysts for this purpose from the present CIA Counterterrorist Center, which was a matter left open in a letter the administration sent to you. It would draw key analysts from the Pentagon as well. I hope you notice that the Department of Defense did not sign the letter that was sent to you, Senator Collins, and to you, Senator Levin, and did not have a witness at the table here today. So it's not clear—I think the NCTC would very much see DOD as a full player in that.

Second, we think they would do a much better job of recruiting the personnel they need for the reasons I cited in answer to a previous question.

Third, the NCTC would have the net assessment function. That job was assigned in the letter sent to you, Senator Collins, and you, Senator Levin, to the Department of Homeland Security.

Further, the NCTC should have the power to use its analysis to guide collection. You will remember in that same letter that you coaxed from the administration, it said it might give TTIC such authority, but the mechanism for doing so was going to be defined later.

Our proposal allows NCTC to draw the authority, that mechanism, from the authority granted to the National Intelligence Director.

And finally, the current TTIC is of course expressly forbidden from being involved in operations, but we believe, like the military

and diplomats and people in finance and law enforcement, that the integration of analysis and action is essential to both.

Senator LIEBERMAN. Mr. Zelikow, my time is up. Let me ask you a quick question and ask for a quick answer. I read the report as recommending that most of the existing fusion centers be eliminated and concentrated in the National Counterterrorism Center; was I right?

Mr. ZELIKOW. Not entirely, sir. We don't see this as just kind of one giant center, the blob that absorbs all the others. We instead see this as the center in which you do the strategic analysis, but every one of the executive departments will still need an intelligence unit to support its executive work.

So, for instance, let's take the military analogy. The military is going to conduct an operation. It has a J–2, an intelligence unit attached to the unit in the field. It draws information from the knowledge bank, say, in the case of ground operations, the National Ground Intelligence Center, that is the institutional memory of the Army about geography, the enemy order of battle. It draws what it needs from the knowledge bank. It uses its own intelligence unit to support operations, and then from what it learns in that operation, it passes information back to be deposited in the knowledge bank for future reference by another operator.

So the key executive departments still need their own intelligence support, their own J–2s, in effect. And that's quite right. The CIA CTC will turn into that. It will become the DO targeting center in a way that it really has been for most of its history. But you still have the central—there would be no question as to who has responsibility for strategic analysis and institutional memory.

Senator LIEBERMAN. Thank you. Thanks, Madam Chairman.

Chairman COLLINS. Thank you. Senator Coleman.

Senator COLEMAN. Thank you, Madam Chairman.

I am trying to sort out whether we are operating at 10,000 feet here or whether we are operating on the ground. I must tell you that I do not know right now. I came to this with an openness to support a National Intelligence Director. We can have debates about budget authority and where it is placed. I share Madam Chair's concern about the recommendations regarding paramilitary operations. My comment on that is I think we need to be careful in all this discussion of reflecting on the context in which we are operating. In 1998 context, clearly you are going to have the problems that, Mr. Zelikow, you expressed, but I do not know if that is the case today. What I heard from the panel before was every one of them saying we have changed the way we operate, we have changed the way we think. And I think we have to keep that in mind. We cannot be going back to 1998 reality to construct a 2004–2005 solution.

The other concern I have is what I heard from that other panel, is that the problems are not structural problems, they are human problems, and a great concern about form following function, and what we have here—excuse me—actually, function following form. You have got, here is the structure now. This is going to change the way in which we operate. I must comment that—and I raised the question—I did not hear a single thing from the panel today that says we are not doing something we should do, that is criti-

cally impacting national security because we do not have this new structure. We can do some things perhaps a little better. We need to reflect on it.

But I did not hear, particularly in regard to this question of no one in charge, I did not hear from anybody today that there is something that we are missing because we do not have a National Intelligence Director. So I think we just have to be careful as we analyze this thing, what is it that we are getting? My concern is will we be able to do that in a month?

Let me raise one other issue though, and that is the congressional oversight function, because it is very clear from this report that congressional oversight is critical, is absolutely key. The question I have is do we have the capacity to do that? I would like to have a better understanding from you of what kind of time, what kind of effort, what kind of focus are Members of this body supposed to have to do the kind of job that you expect them to do to make this work?

Clearly, in the past—we have a lot of committees we serve on, we have a lot of things that we do. We have a Committee that people put time and energy into, but clearly the type of oversight that is required has not been done in the past. So help me understand better what you are really expecting from Members of this body to do the kind of job that you think they need to do to perform the kind of oversight function you are expecting of this Congress.

Mr. KOJM. Senator, let me start on your personnel question. We on the Commission share the view that the most important thing is the people, and getting the right people and giving them the right training. We began our recommendations precisely on this point, and nothing is more important than recruiting and keeping and rewarding such people in government.

This is also why we believe the National Intelligence Director must have control over personnel policies. We've got many different policies across the Intelligence Community, many policies across Executive Branch agencies. At least with the Intelligence Community we surely need to draw these policies together precisely so we can achieve the objectives you outline.

The panel this morning talked about conversation and cooperation. That's all important, and that's all highly useful and puts us in a far better place than we were 3 years ago. But we still do believe that alone is not enough to meet the national security challenge in front of us, and we still do believe in the importance of a quarterback calling the signals.

Let me turn to your question about oversight. Both the Chair and Vice Chair, Kean and Hamilton, if we had to sum up in one word, they believe stronger powers in the Executive Branch for the National Intelligence Director, for the Counterterrorism Center, but equal powers, stronger powers of oversight, to keep the very checks and balances that I know so many members of this panel have already cited as important.

How is oversight well done? Well, I think there's a very good example on this Committee. Its oversight panel has done superb work over many years, and even though it has not had a day-to-day focus on the budget, the oversight panel of this Committee has

come up with hallmark proposals and things that work their way into legislation that have made a real difference for this country.

I am presumptuous in telling this panel that oversight work is hard. You all know that, and you do it quite well. I think our single point would be is you need single committees dealing with single problems. The homeland security issues just cover so many committees across government. The intelligence panels don't have all the powers that they need to get their job done.

One can dispute whether it should be a joint panel or combining authorization and appropriation. We just want you to come away with the central point, stronger oversight committees, and we leave it to the experts to design them.

Thank you.

Senator COLEMAN. Just to follow up in the 30 seconds I have, and maybe I need more time than that. Would it be fair to say that oversight in the past failed, that we did not have the kind of oversight that we need today?

Mr. KOJM. With respect to the Intelligence Community and its 15 elements, it's hard to do that oversight task responsibility well and correctly, and we know that the committees worked hard at it, and did, I am convinced, to the very best of their ability. I think our point is not to criticize actions of the past, but to set up structures for the future that can enable good people working hard to accomplish those goals. Thank you.

Senator COLEMAN. Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Senator Akaka.

Senator AKAKA. Thank you very much, Madam Chairman.

One of the issues raised in the 9/11 report is a lack of skilled analysts, especially in the area of foreign languages, available for recruitment by the Intelligence Community. I was interested to hear from each of our witnesses on the first panel that recruiting, training and deploying skilled personnel is their most pressing need. I agree with their assessment, which is why several of us on this Committee have offered legislation to address the need to hire people to fill the void.

The Senate has passed our bill in November 2003, which has not been acted upon by the House. I hope my colleagues will join me in my effort to encourage the House to take up S. 589.

I would like to follow up on something you said earlier. You stated that the NCTC will not have the same personnel problems as the TTIC because it will likely have the ability to recruit the best and the brightest people before they go to the other intelligence agencies. Are you concerned that this will deplete the number of qualified personnel at organizations like the CIA and the FBI?

Mr. ZELIKOW. Senator, I would like to more optimistically envision a world of fruitful competition. You may remember there was a time when no self-respecting, high-flying military officer wanted to work on the Joint Staff. Now it is indispensable for the high-flying military officer to get an assessment on the Joint Staff. Now, that does not mean that the Air Force feels it cannot find good officers anymore. So you want to create incentives for joint work.

But beyond that, measures perhaps like your legislation, Senator, need to be taken to change the whole supply-side equation. Senator Coleman, you asked, How does having a National Intel-

ligence Director make a difference? It makes a difference because then you have a management strategy, maybe 4 or 5 years ago, that addressed the supply side of the equation. I earlier talked about the demand side. Everybody wants people. The supply side of the equation means years ago you had said we are confronting Islamist terrorism. What is our personnel need going to be for that? What kind of resources and language training slots and the whole slice of things that go with that do we need across the community? And then there is a budget and a management strategy that goes with gearing up. That time passed.

Now we still need to have that capability, that flexibility to have agile management strategies to do the supply-side work to address your concern, Senator.

Senator AKAKA. One reason that demand is outpacing the supply of skilled analysts and linguists is because our schools do not promote the study of languages. Our school curricula do not always match the needs of society, nor is public service always honored.

Did the Commission discuss any changes to our education system to address these deficiencies?

Mr. ZELIKOW. We did, sir, not at great length. In Chapter 3, we actually called attention to the problem in getting people who would study Arabic in American higher education and some of the trends that were creating that problem. There is perhaps a role for both government and the private sector in incentivizing higher education to devote resources. I think that some of that is already happening now, and all of you know that in the past the government has done things, such as in the National Defense Education Act during the Cold War, to try to incentivize the study of languages that might otherwise not draw as many students as one would wish.

Senator AKAKA. Yesterday, President Bush, as we all know, announced that he will create the NCTC by Executive Order and he called on Congress to amend the National Security Act of 1947 to create a National Intelligence Director. Until the NID exists, the NCTC will report to the Director of the CIA.

I am concerned that if Congress does not agree with the President and decides against creating a National Intelligence Director, which is a possibility, the NCTC will remain housed under the CIA and could end up being a second TTIC.

Will you comment on the risk of implementing one recommendation without the other and whether the two concepts are dependent on each other?

Mr. ZELIKOW. Sir, the NCTC will not work as a subordinate entity of the CIA. It is just as simple as that. Let me give you one example, but there are many. One example is the NCTC is supposed to run intelligence operations across the foreign-domestic divide, including, say, in Honolulu or in Phoenix. The head of the CIA should not be the person who is responsible for overseeing domestic intelligence operations. That is already forbidden by law, and that is not a provision of law we propose be repealed.

Senator AKAKA. Would you like to comment, Mr. Kojm?

Mr. KOJM. No. I would simply agree with my colleague.

Senator AKAKA. Thank you very much, Madam Chairman. My time has expired.

Chairman COLLINS. Thank you. Senator Dayton.

Senator DAYTON. Thank you, Madam Chairman.

I want to join with others in thanking you for your extensive and exhaustive work. It has been a great service to all of us and your country. Thank you very much.

I want to go back to some of the events that you chronicle in the report on September 11 itself and some of the discrepancies particularly involving NORAD. A week after September 11, NORAD issued a public chronology in response to some of the initial reports that they had failed to defend our domestic airspace during the hijackings. And their chronology dated September 18, 2001, stated that the FAA notified NORAD of the second hijacking at 8:43 a.m., that FAA notified NORAD of the third hijacking at 9:24, that FAA notified NORAD of the fourth hijacking at an unspecified time, that prior to the crash in Pennsylvania, Langley F–16 Civil Combat Air Patrol remains in place to protect D.C., and then in public testimony before your Commission in May 2003, NORAD officials stated—and I don't know whether this was under oath or not, but that at 9:16 they received hijack notification of United 93 from the FAA. Your report notes that hijacking did not actually occur until 9:28 a.m., 12 minutes after they said they received that notification. In that testimony also before your Commission, NORAD officials stated that at 9:24 they received notice of the hijacking of the third plane, American Flight 77, which your Commission's report also states is untrue, that NORAD was never notified that plane was hijacked. And they also testified before your Commission that they scrambled the Langley, Virginia, fighters to respond to those two hijackings, yet the taped remarks, according to your report, at both NORAD and FAA reportedly documented that order to scramble was in response to an inaccurate FAA report that American Flight 11 had not hit the first World Trade Tower and was headed to Washington. And your report notes that erroneous alert was transmitted by the FAA at 9:24 a.m., 38 minutes after American Flight 11 had, in fact, exploded into the World Trade Tower.

Can you give me any way to reconcile their stated versions and yours?

Mr. ZELIKOW. No, sir. We addressed that directly on page 31 and 34 of the 9/11 Commission Report. We did more or less as you have just done, contrasted NORAD and FAA prior statements with the conclusions the Commission has reached.

As you may know, sir, in public testimony, which was sworn, officials of both NORAD and FAA have acknowledged that the Commission's account of these facts is accurate and their prior accounts were indeed incorrect.

Senator DAYTON. Do they explain how it is that they came to recognize the veracity of yours and the inaccuracy of their own?

Mr. ZELIKOW. Sir, we all regard it as a learning process, and I think further questions about the learning process that they are in are directed to those agencies.

Senator DAYTON. Thank you. Also, there were various reports based on sources shortly after September 11 that stated that very shortly after the Pentagon was struck at 9:34, "Pentagon officials ordered up the Airborne Command Post, used only in national emergencies." There is another reference in another article to an

AWACS plane being sent up at about that time. Are you aware of an AWACS or Airborne Command Post being sent aloft at that—again, this is between 9:35 and 10 a.m.? Because the report does not mention one.

Mr. ZELIKOW. No, sir. The aircraft you are referring to has to do with continuity of government issues that we chose not to discuss in the report for reasons of classification. We are, however, aware of the aircraft movements you refer to and tracked the movements of that and other relevant aircraft completely. If they had borne in any material way on the September 11 story, we would have discussed it in our report.

Senator DAYTON. All right. So is the implication that they are aloft and were organizing an air defense of the United States at that point in time, domestic air defense, is that——

Mr. ZELIKOW. No, sir. That aircraft had nothing to do with organizing American air defense and played no part whatever in the command and control issues that NORAD faced that morning.

Senator DAYTON. Thank you.

Regarding the 15 agencies, entities of the Federal Government now engaged in intelligence-gathering activities, are there any that you could recommend to us be merged or consolidated?

Mr. ZELIKOW. Sir, we did not take on the next issue of whether or not you need all these separate agencies, but we did do this: We did suggest that some of the agencies that are now in the Intelligence Community actually do not really need to be there. For instance, the State Department's Intelligence Research Bureau should just work for the Secretary of State. It should be an intelligence support entity for that Department, and it does not have to obey the dictates of the Intelligence Community.

One of the problems we heard about now is sometimes when you want to obstruct action, you call a meeting with all 15 of the agencies there as a way of inducing sclerosis. We were trying in our recommendation to find a way of simplifying and strengthening the capability-building structure.

Senator DAYTON. Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Senator Levin.

Senator LEVIN. Thank you, Madam Chairman.

One of the things that we learned hopefully from the events of September 11 is that there was no accountability for the failures to do the jobs that were assigned to people. We had in the very case that you gave us in the Minneapolis case, we had that information going to the bin Laden desk at the FBI and national headquarters, and they did nothing with that information. We had in the case of the CIA folks overseas who saw the two people who they knew were part of al Qaeda go to a meeting, get to the United States. They were involved in the attack on the *USS Cole*. Then they later got to the United States. The CIA people had the job of putting them on a watchlist and did not. So the FBI was never alerted. That later resulted in the CIA Director being informed of this and saying, well, that is the FBI's job.

But before you get to that, you have people who did not do their job. It was not just stovepipes. That was a problem. The FBI was not notified by the CIA, not because of the stovepipes, but because the people who were responsible to notify the Immigration and

Naturalization Service, the Border Patrol, the FBI, the people in the CIA who were supposed to do that did not do that.

What do you do about accountability? I mean, that is a failure inside the existing system. Now, that led to TTIC, and TTIC was supposed to solve this problem. But you still have failure to do one's job. Did you address that issue?

Mr. ZELIKOW. Yes, to some extent. There are two levels. Did they do a job that was clearly defined and understood and it is just a case of mis-, mal- or non-feasance? If so, that is a proper matter for internal discipline by those agencies. And in the case of both of the agencies you mention, we are aware of the Inspector General work that is being done now by both the CIA and the FBI.

Senator LEVIN. Do you know if——

Mr. ZELIKOW. It was important that we knew about that work and knew where they were going with those reports.

Senator LEVIN. Has there been any discipline?

Mr. ZELIKOW. As far as I know, sir, neither the FBI nor the CIA have taken any disciplinary actions. Their IG reports are in different stages.

The second point I would just stress very briefly is their jobs were not well defined, which is a symptom of the problems in operational management we discussed earlier.

Senator LEVIN. All right. We had the FBI Director and the CIA Director in front of us over at the Joint Intelligence Committee hearings, and they said these people did not do their job. The jobs were defined. They were supposed to notify the FBI when they knew that terrorists that were part of the al Qaeda group came to the United States. They were supposed to do that, and they did not. But, anyway, we will leave it at that.

Mr. ZELIKOW. Let's just not—be sure not to scapegoat low-level employees for management failures that go higher up.

Senator LEVIN. I agree with that.

Mr. ZELIKOW. They deserve to be dealt with. Others should do that and people should do that, but we wanted to avoid that temptation.

Senator LEVIN. No, I agree with that. But you also have to have some accountability in the process at all levels. I don't want to scapegoat anybody at lower levels. I agree with you with the upper management failures, miserable failures, but, nonetheless, people who had assigned jobs to do did not do them, and there has been no accountability at that level either. I don't think you want to let anybody off the hook at any level, do you?

Mr. ZELIKOW. No, sir. We are against letting people off the hook. [Laughter.]

Senator LEVIN. I would hope so.

Now, your recommendations that you say have been received so favorably, it seems to me when you analyze them have been really not received so favorably. Everybody says, yes, create a czar. We are supposed to have now a DCI, a Director of Central Intelligence, who has control presumably over both the analysis and the operations inside the Intelligence Community. It is supposed to be centralized now, that is, Director of Central Intelligence, the CIA Director as well.

But let me go to your specific recommendations to see why it is you believe that there has not been greater support for your recommendations at the White House.

First, they do not want to put it in the Executive Office of the President. That is a key recommendation. Second, apparently on program purse strings, that is not accepted.

On hire and fire authority that you would give that Director over agency heads in the Intelligence Community, outside of the operations of the NCTC, we have silence on that one.

So just take three big recommendations in terms of what we heard from the White House yesterday. First, the President does not want to put it in the Executive Office of the President; second, apparently does not accept control over the purse strings; and, third, at a minimum silence, is on the question of giving that new Director hire and fire authority over agency heads and top personnel in the Intelligence Community.

Don't you consider that—those are not details. That is not like at 100,000 feet there is a great deal of acceptance here in the White House, which is a pretty important actor in this whole process. You have got some real rejection of two key principles and silence on another key principle. So I want you to comment on that.

Mr. ZELIKOW. On the EOP point, yes, they are against it.

Senator LEVIN. On the what?

Mr. ZELIKOW. On the Executive Office of the President point, yes, they are against it. They want to create a new agency. OK. Maybe that is a good idea. Then let's step up to that idea and work it. They have not explicated that idea. That is a big idea. We have made a comment on it in our statement.

On the budget and personnel issues, we prefer to think of what they did as a constructive beginning in a situation where they have not really made up their own minds what they want to do.

To be fair to them, they have had this now for about 10 days. Everybody agrees this needs to be handled thoughtfully. You heard the panel earlier this morning. We would rather encourage them to sit down and focus on the details and see where we go from there.

Mr. KOJM. Senator, I think we heard ice breaking yesterday—support from the President for a National Intelligence Director, support for a National Counterterrorism Center, for joint intelligence and joint planning of operations. These are fundamental breakthroughs that many who have looked at the Intelligence Community over two decades have understood the problem and made recommendations and, frankly, have gotten nowhere. We think we have gotten somewhere as of yesterday.

But even though the ice broke, there is still a lot of water that you have to paddle that is pretty dangerous to get across, and we are going to devote ourselves to that effort.

Senator LEVIN. My time is up. Thank you.

Chairman COLLINS. Thank you.

I want to thank our witnesses for being here today and for the extraordinary work that they have done on this report. We very much appreciate your assistance, and we look forward to working closely with you as we proceed with the remainder of the Committee's work.

The hearing record will remain open for 5 days. We hope you will be willing to respond to additional questions from the Committee Members.

Again, thank you very much for your service, and this hearing is now adjourned.

[Whereupon, at 1:53 p.m., the Committee was adjourned.]

APPENDIX

[The op-ed from the *Washington Post,* August 3, 2004, follows:]

INTELLIGENCE REFORM AND FALSE URGENCY

BY CHUCK HAGEL

We stand at a moment filled with potential for bringing about the responsible intelligence reforms needed to meet the threats of the 21st Century. But if we allow the current national consensus for intelligence reform to become a tool in the partisan rancor of presidential politics, we risk doing enormous damage to our intelligence community. We must not allow false urgency dictated by the political calendar to overtake the need for serious reform. This is an enormous undertaking filled with consequences that will last a generation.

There is no debate about the need to reform our 20th Century intelligence infrastructure. Yesterday President Bush and Sen. John F. Kerry publicly discussed several reform ideas that Congress will consider. But there is much work to be done to bring about the right reforms. Policymakers must not shy away from this responsibility; we must embrace it. The stakes could not be higher. While inaction is unacceptable, serious consequences will come with reform. Policymakers owe it to the American people to understand these consequences before they act.

A mistaken impression has developed that since September 11, 2001, little has been done to improve our intelligence capabilities. This is not true. We are unquestionably a safer nation today than we were three years ago. The legislative and executive branches of government have been reviewing and adjusting our intelligence—the gathering, processing and management of it—since September 11. We are vastly more prepared to respond to biological or chemical terrorist attacks than before September 11. Our border security, documentation, information sharing and coordination among government agencies have all been improved. Last month, the Senate Select Committee on Intelligence, on which I serve, issued the first part of our report on intelligence failures prior to the war in Iraq. We have began the second phase of our report, which will include recommendations on reform of our intelligence community. We have heard and will continue to hear from current and former members of that community, intelligence experts and policymakers responsible for making decisions based on the intelligence they are provided.

In 2001 the president's Foreign Intelligence Advisory Board, chaired by former national security adviser Brent Scowcroft, provided the president with a comprehensive review of the intelligence community and recommendations.

Last month the 9/11 Commission, led by former New Jersey governor Tom Kean and former Indiana representative Lee Hamilton, produced a remarkable bipartisan document that offered recommendations for improving our intelligence and security structures. All Americans owe them a debt of gratitude for their work.

This year President Bush designated a bipartisan panel to examine U.S. intelligence capabilities. The commission, led by former senator and governor Chuck Robb of Virginia and federal appellate judge Laurence Silberman, has been given a broad mandate to "assess whether the Intelligence Community is sufficiently authorized, organized, equipped, trained and resourced to . . . support United States Government efforts to respond to . . . the proliferation of weapons of mass destruction, related means of delivery, and other related threats of the 21st Century." They are to report their findings to the president by March 31.

In addition to the intelligence committees, Senate and House committees are studying reform of our intelligence community. Some will hold hearings during the August congressional recess. The work of intelligence reform cuts a wide swath across our government. All these hearings in committees of jurisdiction are critical for any reforms to succeed.

The American people should have confidence that our intelligence system is the finest in the world. This is no reason to ignore the reforms needed to meet the threats we face, but it is reason for the American people to feel secure. They should not be misled into believing that they are at risk because of an incompetent, inadequate intelligence system. Panic is not the order of the day. Responsible reform is the objective.

Our society is the most open, transparent and free society in history. Because of this, we will always face risks. The leaders charged with keeping this country safe should never be satisfied that we have done enough. There will always be room to improve our intelligence and security systems.

We will reform our intelligence community. The responsibilities of leadership require our action. But we must not rush haphazardly through what may be the most complicated and significant government reorganization since World War II. By the time the commission that President Bush empaneled to examine U.S. intelligence reports to him next March, we will have completed a massive series of investigations and hearings and a decisive presidential election.

The consequences of the decisions we make regarding intelligence reform will ripple far beyond our shores. The security of the next generation of Americans and global stability depend on our ability to wisely answer history's call. We must match the timeliness of our actions with wisdom and reason. This requires responsible reform.

The writer is a Republican Senator from Nebraska.

August 3, 2004

Statement for the Record of
John O. Brennan
Director, Terrorist Threat Integration Center

On
The 9/11 Commission's Recommendations Relating to the Reorganization of the Executive Branch and Determining How Best to Implement Them

Before the
Senate Committee on Governmental Affairs
Washington, D.C.

Good morning, Chairman Collins, Senator Lieberman, and Committee members. It is an honor to be here today to testify before you on the Terrorist Threat Integration Center (TTIC) and the President's decision to establish a National Counterterrorism Center (NCTC).

As this Committee knows, the President has embraced the Commission's recommendation for the creation of a centralized organization to integrate terrorist threat information. Yesterday in the Rose Garden, the President formally announced that he will establish a NCTC and take other actions designed to continue the process, underway since September 11, 2001, of strengthening America's ability to win the war on terrorism. This is a natural extension of the work and successes the Administration has already achieved through the establishment of TTIC.

In his State of the Union speech in January 2003, the President called for the creation of an integrated center, to merge and analyze all threat information in a single location. On 1 May of last year, that vision became a reality with the stand up of TTIC. Over the past 15 months, TTIC has endeavored to optimize the U.S. Government's knowledge and formidable capabilities in the fight against terrorism. For the first time in our history, a multi-agency entity has access to information systems and databases spanning the intelligence, law enforcement, homeland security, diplomatic, and military communities that contain information related to the threat of international terrorism. In fact, TTIC has direct-access connectivity with 26 separate U.S. Government networks -- with more planned – enabling information sharing as never before in the U.S. Government. This unprecedented access to information allows us to gain comprehensive insight to information related to terrorist threats to U.S. interests at home and abroad. Most importantly, it enhances the Government's ability to provide this information and related analysis to those responsible for detecting, disrupting, deterring, and defending against terrorist attacks.

In addition, there currently exists within the TTIC joint venture, real-time collaboration among analysts from a broad array of agencies and departments who sit side-by-side, sharing information and piecing together the scattered pieces of the terrorism puzzle. These partners include not only the FBI, CIA, and the Departments of State, Defense, and Homeland Security, but also other federal agencies and departments such as the Nuclear Regulatory Commission, Health and Human Services, and the Department of Energy.

- As envisioned by the President, this physical integration of expertise and sharing of information enables and empowers the key organizations involved in the fight against terrorism. Collectively, they are fulfilling their shared responsibilities in a fused environment, "doing business" jointly as TTIC. This fusion and synergy will be further enhanced when CIA's Counterterrorist Center and FBI's Counterterrorism Division collocate with TTIC in the coming months.

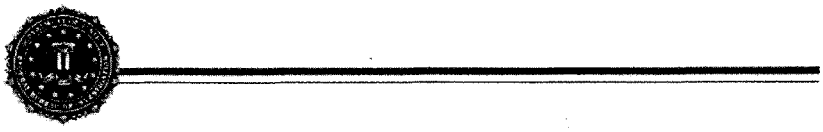
- This integrated business model not only capitalizes on our respective and cumulative expertise, but it also optimizes analytic resources in a manner that allows us to cover more effectively and comprehensively the vast expanse of terrorist threats that will face the Homeland and U.S. interests worldwide for the foreseeable future.

This integration of perspectives from multiple agencies and departments represented in TTIC is serving as a force multiplier in the fight against terrorism. On a strategic level, TTIC works with the Community to provide the President and key Cabinet officials a daily analytic product on the most serious terrorist threats and related terrorism information that serves as a common foundation for decision making regarding the actions necessary to disrupt terrorist plans. Rather than multiple threat assessments and disparate information flows on the same subject matter being forwarded separately to senior policymakers, information and finished analysis are now fused in a multi-agency environment so that an integrated and comprehensive threat picture is provided. If there

are analytic differences on the nature or seriousness of a particular threat, they are incorporated into the analysis.

As is evident, the Terrorist Threat Integration Center embodies several of the characteristics envisioned by the Commission for the proposed "National Counterterrorism Center (NCTC)." It is an existing center for "joint intelligence, staffed by personnel from the various agencies" and well positioned to "integrate all sources of information to see the enemy as a whole." It is likely for those reasons that the Commission recommends that TTIC serve as the foundation of a new NCTC. As a longtime proponent of structural reform of the Intelligence Community, I fully support the integration concept and the establishment of a National Counterterrorism Center. In the weeks and months ahead, I look forward to working with TTIC's partner agencies, the Congress, and the White House to build upon TTIC's strong foundation and create a National Counterterrorism Center. The potential benefits of an NCTC are enormous. So too are the challenges. Together, we will need to determine how to implement the NCTC in a thoughtful and evolutionary manner so that we do not adversely affect ongoing activities in the global war on terrorism. We all have a special obligation in this regard.

In conclusion, I believe the benefits to be gained from the integration concept, as envisioned by the President and called for by the 9/11 Commission, strongly support the creation of a National Counterterrorism Center, and I look forward to working with you to implement a national counterterrorism system that maximizes the security and safety of all Americans, wherever they live or work.



Statement of
John S. Pistole
Executive Assistant Director
Counterterrorism/Counterintelligence
Federal Bureau of Investigation
Before the
Senate Governmental Affairs Committee

August 3, 2004

The FBI has worked closely with the 9-11Commission and its staff and we commend it for an extraordinary effort. Throughout this process, we have approached the Commission's inquiry as an opportunity to gain further input from outside experts. We took its critiques seriously, adapted our ongoing reform efforts, and have already taken substantial steps to address its remaining concerns. We are gratified and encouraged that the Commission has embraced our vision for change and recognized the progress that the men and women of the FBI have made to implement that vision. We agree with the Commission that much work remains to be done, and will consider its findings and recommendations as we refine our continuing transformation efforts.

Following the September 11th attacks, Director Mueller implemented a comprehensive plan that fundamentally transformed the FBI with one goal in mind: establishing the prevention of terrorism as the Bureau's number one priority. No longer are we content to concentrate on investigating terrorist crimes after they occur; the FBI now is dedicated to disrupting terrorists before they are able to strike. Director Mueller has overhauled our counterterrorism operations, expanded our intelligence capabilities, modernized our business practices and technology, and improved coordination with our partners.

FBI Priorities

Director Mueller clearly established a set of ten national program priorities that strictly govern the allocation of personnel and resources in every FBI program and field office. The FBI today has a clear hierarchy of national priorities with the prevention of terrorist attacks at the top of the list. Field offices must allocate all necessary resources to

ensure that all terrorism-related leads are addressed before resources can be dedicated to other priorities.

To implement these new priorities, we increased the number of Special Agents assigned to terrorism matters by 111%, the number of intelligence analysts by 86% and the number of linguists by 117%, between September 11, 2001 and May 2004. We also established a number of operational units and entities that provide new or improved capabilities to address the terrorist threat. These include the 24/7 Counterterrorism Watch (CT Watch) and the National Joint Terrorism Task Force (NJTTF), both of which manage and share threat information; the Terrorism Financing Operation Section (TFOS), which centralizes efforts to stop terrorist financing; document/media exploitation squads to exploit material found both domestically and overseas for its intelligence value; deployable "Fly Teams," which lend counterterrorism expertise wherever it is needed; the interagency Terrorist Screening Center (TSC) and Foreign Terrorist Tracking Task Force (FTTTF), which help identify terrorists and keep them out of the United States; the Terrorism Reports and Requirements Section, which disseminates FBI terrorism-related intelligence to the Intelligence Community; and the Counterterrorism Analysis Section, which "connects the dots" and assesses the indicators of terrorist activity against the U.S. from a strategic perspective.

We centralized management of our Counterterrorism Program at Headquarters to limit "stove-piping" of information, to ensure consistency of counterterrorism priorities and strategy across the organization, to integrate counterterrorism operations domestically and overseas, to improve coordination with other agencies and governments, and to make senior managers accountable for the overall development and success of our counterterrorism efforts.

Intelligence Program

The FBI is building an enterprise-wide intelligence program that has substantially improved our ability to direct strategically our intelligence collection and to fuse, analyze, and disseminate our terrorism-related intelligence. After passage of the USA PATRIOT Act, the issuance of related Attorney General Guidelines, and the ensuing opinion by the Foreign Intelligence Surveillance Court of Review that brought down the "wall" that sharply limited the ability of law enforcement and intelligence officers to share information, we quickly implemented a plan to integrate all our capabilities to better prevent terrorist attacks. Director Mueller elevated intelligence to program-level status, putting in place a formal structure and concepts of operations to govern FBI-wide intelligence functions and establish Field Intelligence Groups (FIGs) in every field office.

The New Workforce

The FBI is actively working to build a workforce with expertise in intelligence. While much remains to be done, we have already taken steps to ensure this transformation.

On March 22, 2004, Director Mueller adopted a proposal to establish a career path in which new Special Agents are initially assigned to a small field office and exposed to a wide range of field experiences. After approximately three years, agents will be transferred to a large field office where they will specialize in one of four program areas: Intelligence, Counterterrorism/ Counterintelligence, Cyber, or Criminal, and will receive advanced training tailored to their area of specialization. We are working to implement this new career track.

Director Mueller has also approved a proposal to establish a formal Intelligence Officer Certification that can be earned through a combination of intelligence assignments and training. Once established, this certification will be a prerequisite for promotion to the level of Section Chief at FBIHQ, or Assistant Special Agent in Charge (ASAC) at the field level, thus ensuring that all members of the FBI's highest management levels will be staffed by fully trained and experienced intelligence officers.

We have implemented a strategic plan to recruit, hire, and retain Intelligence Analysts. The Bureau has selected veteran analysts to attend events at colleges and universities, as well as designated career fairs throughout the country. We executed an aggressive marketing plan, and for the first time in FBI history, we are offering hiring bonuses for FBI analysts.

In our Special Agent hiring program, we have updated the list of "critical skills" we are seeking in candidates to include intelligence experience and expertise, foreign languages, and technology.

We continue to grow the Field Intelligence Groups (FIGs) established in every FBI field office and are on track to add some 300 Intelligence Analysts to the FIGs in FY 2004. The FIGs conduct analysis, direct the collection of information to fill identified intelligence gaps, and ensure that intelligence is disseminated horizontally and vertically to internal and external customers, including our State, local and tribal law enforcement partners. As of June 2, 2004, there are 1,450 FIG personnel, including 382 Special Agents and 160 employees from other government agencies.

The FBI's Executive Assistant Director for Intelligence has been given personal responsibility for developing and ensuring the health of the FBI intelligence personnel resources. It is important to note that the FBI's intelligence cadre is not limited to intelligence analysts, but also includes agents, language analysts, surveillance specialists, and others. It takes all of these specialists to perform quality intelligence production at the FBI. The FBI's plan to create a cradle-to-grave career path for intelligence professionals at the FBI parallels the one that has existed and functioned so well for our agents and has been codified in our Concept of Operations (CONOP) for Human Talent for Intelligence Production.

Information Sharing and Coordination

To support information sharing, there is now a Special Agent or Intelligence Analyst in each Joint Terrorism Task Force (JTTF) dedicated to producing "raw" intelligence reports for the entire national security community, including State, municipal, and tribal law enforcement partners and other JTTF members. These "Reports Officers" are trained to produce intelligence reports that both protect sources and methods and maximize the amount of information that can be shared.

Understanding that we cannot defeat terrorism without strong partnerships, we have enhanced the level of coordination and information sharing with State and municipal law enforcement personnel. We expanded the number of Joint Terrorism Task Forces (JTTFs), increased technological connectivity with our partners, and implemented new ways of sharing information through vehicles such as the FBI Intelligence Bulletin, the FBI National Alert System, and the interagency Alert System, and the Terrorist Screening Center. To improve coordination with other Federal agencies and members of the Intelligence Community, we joined with our Federal partners to establish the Terrorist Threat Integration Center, exchanged personnel, instituted joint briefings, and started using secure networks to share information. We also improved our relationships with foreign governments by building on the overseas expansion of our Legat Program; by offering investigative and forensic support and training, and by working together on task forces and joint operations. Finally, the FBI has expanded outreach to minority communities, and improved coordination with private businesses involved in critical infrastructure and finance.

As the Commission points out, we have much work still to do, but we have made great progress and continue to move forward in accordance with a clear plan. With the support and understanding of lawmakers and the American people, I am confident that we will successfully complete our transformation and ultimately prevail against terrorists and all adversaries who would do harm to our Nation.

The FBI looks forward to an ongoing public discussion of ways to support further information sharing and collaboration in the Intelligence and Law Enforcement Communities, and thanks the 9-11 Commission for its public service. Attached, for your information, is the testimony of my colleague, Maureen Baginski, which presents additional information that may be of interest to the Committee.

Thank you for inviting me here today to testify before the Committee, and I will answer any questions you may have at the appropriate time.

Statement of
Patrick M. Hughes
Lieutenant General, USA, Ret
Assistant Secretary for Information Analysis

Information Analysis and Infrastructure Protection Directorate

U.S. Department of Homeland Security

Before the Senate Committee on Governmental Affairs

August 3, 2004

Good morning Chairman Collins, Senator Lieberman, and distinguished members of the Committee. I am privileged to appear before you today to discuss the role of the Office of Information Analysis (IA), within the Information Analysis and Infrastructure Protection Directorate (IAIP) of the Department of Homeland Security (DHS), as well as IA's intelligence, coordination, and information sharing efforts to date.

September 11, 2001 forever transformed our nation. In one moment, we came face to face with a known enemy...on American soil...and a changed condition threatening to our way of life. This day seared images of devastating loss and destruction into our national consciousness, images that we – I -- will never forget. I was present at the Pentagon minutes after the plane struck and I saw once again something I have become all too familiar with over the years...the violent outcome of a terrorist attack against unwarned unprotected people. The anguish and fear of the moment was written on the faces of many of my colleagues who never dreamed that their place of work in a bastion of Democracy would be struck. Our co-workers, soldiers all, lay in the wreckage. The damage was done.

However, on that day, something far greater than fear and something much stronger than despair took root. An unshakeable faith in our fellow citizens, in our ideals, in our nation and an unwavering determination to protect and preserve what we stand for as a country emerged from the destruction, to guide our efforts in the fight against terrorism and the quest to preserve liberty. I am at my place of work at the Department of Homeland Security because of that motivating set of beliefs.

In the aftermath of 9/11, the Department of Homeland Security was envisioned, formed, and is now in operation. Standing up the Department, the largest reorganization of government in fifty years, has been a great undertaking. Many employees of DHS have assumed new responsibilities, and all have put in long hours to ensure that while our strategies may change to meet the terrorist threat, our course as a nation will remain constant. President Bush's decision to establish the Department has enabled us to unify our resources into one team, to ready ourselves against our enemy, and to ensure the highest level of protection for our country and the citizens we serve.

I became a direct part of this Department's effort when I became the Assistant Secretary for Information Analysis, part of the Information Analysis and Infrastructure Protection Directorate, on 17 November 2003. Through the Homeland Security Act of 2002, IAIP is charged with integrating relevant information, intelligence analyses, and vulnerability assessments (whether such information, analyses, or assessments are provided or produced by the Department or others) to identify protective priorities and support protective measures by the

Department, by other executive agencies, by State and local government personnel, agencies, and authorities, by the private sector, and by other entities.

The philosophical underpinning of IA as an integral part of the IAIP Under-Secretariat of DHS is to provide the connectivity, the integration, the communication, the coordination, the collaboration, and the professional intelligence work necessary to accomplish the missions of, and the products and capability necessary for the customers and the leadership of DHS. Simply put, we perform the intelligence and threat analysis of Department of Homeland Security.

IAIP is moving forward in carrying out our statutory responsibilities which include:

- Providing the full range of intelligence support to senior DHS leadership and component organizations and to state and local and private sector respondents

- Mapping terrorist threats to the homeland against assessed vulnerabilities to drive our efforts to protect against terrorist attacks

- Conducting independent analysis and assessments of terrorist threats through competitive analysis, tailored analysis, and an analytical red cell

- Assessing the vulnerabilities of key resources and critical infrastructure of the United States

- Merging the relevant analyses and vulnerability assessments to identify priorities for protective and support measures by the Department, other government agencies, and the private sector

- Partnering with the intelligence community, TTIC, law enforcement agencies, state and local partners, and the private sector, as well as DHS' components to manage the collection and processing of information within DHS involving threats to the Homeland into usable, comprehensive, and actionable information

- Disseminating time sensitive warnings, alerts and advisories to federal, state, local governments and private sector infrastructure owners and operators

It is the mandate to independently analyze, coordinate, and disseminate information affecting the homeland that makes IA unique among its Intelligence Community partners. The analysts within Information Analysis are talented

individuals who draw on intelligence from other components within DHS, IA's fellow Intelligence Community members, the Terrorist Threat Integration Center (TTIC), and federal, state and local law enforcement and private sector entities. The analysis produced is coordinated with the vulnerability assessment and consequence predictions identified by the Infrastructure Protection half of the IAIP Directorate.

The Office of Information Analysis communicates timely and valuable threat products to state and local officials, federal sector specific agencies (as indicated in HSPD-7), and the private sector as is appropriate. The relationship IA and indeed the entire Department of Homeland Security has with these contacts results in the IAIP Directorate being in the position to effectively manage information requirements from the state and local governments and private sector entities that are vital to protecting the homeland. DHS will continue to work in close communication with these officials, as well as with the other organizations it receives inputs from, to maintain the effective relationships that have been established.

IA is the heart of the intelligence effort at DHS. It is responsible for accessing and analyzing the entire array of intelligence relating to threats against the homeland, and making that information useful to those first responders, state and local governments, and private sector. As such, IA provides the full-range of intelligence support to the Secretary, DHS leadership, the Undersecretary for IAIP, and DHS components. Additionally, IA ensures that best intelligence information informs the administration of the Homeland Security Advisory System.

Central to the success of the DHS mission is the close working relationship among components, the Office of Information Analysis and the Office of Infrastructure Protection ("IP"), and the Homeland Security Operations Center (HSOC), to ensure that threat information and situational awareness are correlated with critical infrastructure vulnerabilities and protective programs. Together, the three offices provide real time monitoring of threat information and critical infrastructure to support the Department of Homeland Security's overall mission. This permits us to immediately respond to and monitor emerging potential threat information and events, and to take issues or information for more detailed analysis and recommendations for preventive and protective measures. The integration of information access and analysis on the one hand, and vulnerabilities analysis and protective measures on the other, is the fundamental mission of the IAIP Directorate.

IA and TTIC

The close professional associations that have been forged between the two offices will allow both organizations to work on complimenting each other in the best interest of the nation's security. For example, IA is responsible for translating the analysis done at the TTIC into actionable data for State, territorial, tribal, local, and private sector officials responsible for homeland security. From a personal standpoint, I believe both organizations are fulfilling their missions and enriching both each other and the wider Intelligence Community. My relationship with TTIC Director John Brennan could not be better. At present, we talk at least daily and as specific threats pertinent to the homeland arise. This opinion is backed by the tremendous track record of success TTIC has in supporting the Department of Homeland Security and its needs. As partners, IA and TTIC spend much time communicating, both through the DHS representatives located at TTIC and through direct communication of leadership.

IA and TSC

The Office of Information Analysis has a similarly productive relationship with the Terrorist Screening Center. While both perform duties that result in information being passed to local first responders and state and local officials, both entities have separate missions. IA provides the full spectrum of information support necessary for the operation of the Department of Homeland Security and for the benefit of Federal, State, Local, and Private Sector officials throughout the United States, to secure the homeland, defend the citizenry and protect our critical infrastructure. In contrast, the TSC is in the process of developing a fully integrated watch list database which will provide immediate responses to border-screening and law-enforcement authorities to identify suspected terrorists trying to enter or operate within the United States.

Just as TTIC plays a vital role in supplying its federal partners with the broad threat picture, the TSC has quickly become an essential resource for local law enforcement, its federal government contributors, and other users. Through the matching and cross-referencing of lists, the TSC is allowing those personnel on the front lines of the fight against terrorism to access the information they need to identify and detain suspicious individuals.

DHS, IAIP, and especially IA will continue to work with the TSC to coordinate information sharing efforts and to establish requirements for accessing information. IA and the TSC will grow together in their effort to serve the people and guardians of this nation.

Improving Information Sharing and Collaboration

While existing relationships are gaining momentum every day, we must assure that we formalize a process which will improve information sharing and collaboration. The Department is charged with this responsibility by law and by Executive Order.

Our goal is to effectively, efficiently, and synergistically pass and receive information in all of its forms for the benefit of the United States Government, our State, tribal, territorial, local, and private sector partners, and other DHS entities. In order to achieve this goal we must develop technical and procedural transparency and interoperability in mind to the greatest extent possible. However, the most significant impediments to information sharing are not technological, they are legal and cultural. We needed to start with the "business case" and work toward a common, integrated, and rational vision for the Department. That is precisely what we are doing.

Information sharing involves working with the Department of Justice (DOJ), Federal Bureau of Investigation (FBI), and Department of Defense (DOD), the Central Intelligence Agency (CIA), and others. For instance, as part of this effort, the DOJ and DHS information sharing staffs are working hard to bring the Homeland Security Interactive Network (HSIN), Law Enforcement Online (LEO), and the Regional Information Sharing System (RISSNET) together with the goal of making the systems more compatible as quickly as possible. As we rely on existing systems, we recognize the significant work needed ahead to achieve compatibility and interoperability to meet the challenges faced by DHS.

The Office of Information Analysis' unique position, roles and efforts have lead to many challenges. However, the work is not done. These challenges now lead us to the next logical step in protecting the nation, its people, and its infrastructure. Following careful review of the 9/11 Commission report, President Bush announced yesterday his support for the creation of National Intelligence Director (NID) and the establishment of the National Counterterrorism Center (NCTC). We at the Department of Homeland Security look forward to working with the Congress to take these important steps in preventing terrorist attacks against the United States. The Department of Homeland Security is a prime example of how changes have already been made to the Intelligence Community and the counterterrorism community as they existed before September 11th, 2001. The creation of the NID and NCTC will enhance DHS' ability to better identify threats and map those threats against vulnerabilities.

In Conclusion

Building up the IA office, increasing our information capabilities, and coordinating information sharing across the entire federal government are monumental tasks. And, while we have accomplished much in a short period of time, we continue to press forward to strengthen this vital office and our ability to support the overall DHS mission of securing our homeland. In order for the Office of Information Analysis to accomplish its unique mission, we need the right organizational structure, qualified and cleared personnel, resources, and technical capabilities.

We are working hard to coordinate and integrate the intelligence and information necessary to protect our people and our critical infrastructure. Yet, we still have much work to do. We have made tremendous progress and the dedication and devotion to duty of those who do the work of intelligence at DHS is unparalleled.

We are meeting threats to the homeland with determination and dedication to lead this nation to a higher level of protection every single day. The sheer depth and breadth of our country means that one slip, one gap, one vengeful person, can threaten the lives of our citizens at any time, in any number of ways. There are no guarantees, but I firmly believe the American people are more secure and better prepared than before September 11th 2001, directly because of the Department of Homeland Security.

A brief note about the threat: it is real. Terrorists are at work around the world and when they succeed it seems our best efforts in intelligence, security, defense and protective measures have somehow failed, despite the many successes we have against terrorists. We continue to receive substantial information concerning terrorist intent to strike us again in our homeland. As we approach the period of our national political process and the many associated events, it is my view that we are entering a period of significant risk, perceived by those who would strike us as an opportunity to tear our societal and cultural fabric. We cannot relax, we cannot falter, we cannot live in fear. Instead, we who do the work of intelligence and law enforcement must persevere and provide insight and knowledge to those who lead and decide.

We have accomplished much in IA since our inception and we are on course with our partners and colleagues to continue to achieve. We are fully connected to the U.S. Intelligence Community and well informed. We are integrated into the workings of the domestic security structure. We are connected with law enforcement. We have working analysts pouring over the detail of intelligence and law enforcement reporting to discover the hidden patterns and concealed threads of terrorist activity and the manifestation of other threats to America from crime

with national security implications and from other disasters and threatening conditions that come our way. We have a sense of purpose and we have embarked on what has likely never been done before with regard to information fusion…to fully understand the threat and the conditions extant in the "new normal" United States context that we see now and in the future. The 9-11 attacks, the December 2003 – February 2004 period of heightened concern, the recent attack in Madrid and potential but largely interdicted attacks elsewhere, and the fact of anthrax and ricin attacks here in the United States, combine to form this 'new normal" condition of constant possibility that we cannot ignore.

At the same time we are – I am – most mindful of the need to the civil liberties and personal privacy of our citizens and to preserve and defend our Constitution and our way of life. In the end, we are – I am – focused on defeating the terrorists before they can strike. That is why we exist.

Chairman Collins, Senator Lieberman, and Members of the Committee, this concludes my prepared statement. I would be happy to answer any questions you may have at this time.

Senate Governmental Affairs Committee
Testimony for the Record

August 3, 2004

Philip Mudd
Deputy Director,
DCI Counterterrorist Center

We are now years into a war with the terrorist network whose members planned and conducted the attacks of September 11. With the 9/11 Commission recommendations now available to us, we have a critical piece in place that helps us toward a better organization of our institutions as they engage in a war that is likely to last for many years. The President yesterday announced that he will establish a National Counterterrorism Center (NCTC) and take other actions designed to continue the process, underway since September 11, 2001, of strengthening America's ability to win the war on terrorism. I believe the President's establishment of NCTC will build on the concepts already in place in the DCI Counterterrorist Center and TTIC, helping us coordinate better across the government to fight this war. This government has the most powerful counterterrorist capability in the world; we must commit to ensuring that we coordinate effectively so that we attack this target with a unified approach.

A National Counterterrorism Center, coordinating across the US Government's analytic and other elements, will strengthen our effort, particularly relating to threats we worry most about, those that affect the US homeland and people. Assigning

responsibilities across the government through NCTC planning could ensure that missions are clear and accountability well defined. A Center that could improve the link between foreign intelligence and homeland defense would be a valuable addition.

In short, the Kean Commission is right in focusing on the importance of collaboration and cooperation across the government. And right to ask for an entity that is charged with ensuring and facilitating cooperation.

As the President said, this remains a nation in danger and at war, so as we try to improve our intelligence capabilities, I would recommend that we ensure that we do not harm what already works well. The President is right in counseling care: in the midst of calls for great change, we are prosecuting a war with great success. Since September 11, we have made strides toward partnerships across and beyond the government, including CIA, the FBI, the US military, and foreign partners, steps that have given us a powerful weapon against our adversary.

CIA is a flexible organization, and we operate in that fashion so that we can adapt quickly to changes in world events or patterns we observe in our enemies. Since September 11, with

the help of the Congress, we have more resources to fight the war. We have closer collaboration with law enforcement – the number of FBI Special Agents serving in the Center has doubled and TTIC is helping to integrate more information every day. We are supporting not just military units from Washington, we are living and fighting and sharing intelligence with them on the battlefield. We should look at additional change in the context of the change we already have undertaken.

The challenge posed by Al-Qaida and its affiliates remains daunting. Despite the increase in resources we have committed to this mission, the combination of the global reach and relentless drive of this enemy means that we are fighting this war every day on many fronts, around the globe, with officers who are stretched. And due to the operational successes of these officers, the volume of information we have flowing in is huge.

We are succeeding against this adversary because of the dedication and capability of our officers and the partnerships that we have strengthened in recent years. We have literally joined forces with our colleagues in law enforcement and in the armed services to help make this country safer. We see the

results today in terrorists dead or captured. That said, this adversary remains a deadly threat to us around the world, as you saw in the chilling threat information we recently began to uncover. And so are other terrorist groups.

This cooperation is reflected in the number of detailees from other agencies we have in the Counterterrorist Center and in the way the DCI has directed us to fight this war. For example, the Acting Director has continued the practice of chairing a meeting each evening that includes not only CIA officers but also representatives from other agencies across the US Government. Part of what makes that meeting successful is the ability of these individuals to reflect the richness of their home agencies, each of which brings unique talents, capabilities, authorities, and perspectives to the table.

The alliances we have worked to evolve during the past three years, including the global relationships we have developed with security services around the world, are critical. This war requires close cooperation with law enforcement and military entities that have capabilities CIA does not and should not. As we study proposed changes, we need to ensure that change improves our alliances with law enforcement and the

military. The details of the Commission's proposals are not specific enough for me to judge their impact on our ability to, for example, retain close coordination with the FBI Special Agents working in CTC. What I do know is that this partnership is an integral part of our counterterrorism operations. We need it to continue in CTC and to expand upon it in the National Counterterrorism Center.

Let me offer a few additional thoughts based on CIA's experience with counterterrorism operations since CTC was founded in 1986. We need clear, clean, short lines of command and control. Opportunities to roll up a terrorist or prevent a deadly attack often demand immediate action. This is a war of speed.

Analysts in the Center are critical to its operations and critical to keeping policymakers apprised of current and future threats. The synergy between analysts and operations officers is the great strength of CTC, and the information-sharing partnership between analysts and operators in CTC could not be stronger. Our analysts reflect the day-by-day, and sometimes minute-by-minute, pace and scope of our operations, and our

operators understand the target better by virtue of their partnership with analysts.

This partnership has created a unique fusion: our analysts may write intelligence for the President one day and help operators interview a terrorist the next. Counterterrorism tasks require a combined application of knowledge and tools in ways that sometimes do not allow us to distinguish between analysts and operators. The Center I help manage needs officers like these to sustain its energy and effectiveness. As we work together to build the NCTC, we will want to make certain that we enhance important partnerships such as these.

My perspective from the trenches of this war is that my colleagues and I welcome organizational change that will help us do our mission. We welcome a dialogue about what change is needed. Finally, I thank you for listening to what I have said about the proposals you are considering today. I want to offer, today, whatever I can do to help you implement this new initiative.

Prepared Testimony of Philip Zelikow and Christopher Kojm,
Executive Director and Deputy Executive Director,
National Commission on Terrorist Attacks Upon the United States

Before the Committee on Governmental Affairs of the United States Senate

August 3, 2004

Thank you for inviting us to appear. This Committee is preparing recommendations to the Senate for government reorganization, especially for counterterrorism and intelligence. You have already heard from our Chair and Vice Chair. They summarized the Commission's recommendations.

We are here to follow up on specifics – specifics about the recommendations, specifics about why the Commission made certain choices, and specific responses to some of the concerns that have been voiced.

But before plunging into details, we urge you to keep the big picture in view. The Commission made recommendations about what to do – a global strategy – and how to do it – reorganizing the government. Today we do not have a government capable of implementing the global strategy we recommend.

Confronting a 21st century kind of threats, we recommended a 21st century set of strategies, and we were compelled to look at a 21st century approach to government.

These are not just catchphrases. The commissioners brought vast accumulated experience in both the executive and legislative branches of government. I have worked in every level of government and either for or with almost every national security agency we have. Chris Kojm spent 14 years on the Hill and years more as the State Department's representative to the management of the Intelligence Community. We are practical people.

But, with our commissioners, we had to think globally, across the world and across America's governments – from a firebase near Kandahar to a firehouse in lower Manhattan. We had to think "in time" – charting the way our government has performed yesterday, today, and tomorrow. And we had an exceptional opportunity – to research, reason, consult, and decide what it all meant.

Returning to that big picture, let's focus for a moment on two of our five main organizational recommendations, for counterterrorism, and for intelligence.

Counterterrorism

The executive branch of our government is organized in accordance with the best management principles of 1950. We have large, vertically integrated, industrial-sized behemoths.

What therefore happens is that each of the agencies does **its** job, and then tries to get others to cooperate – and vice versa. If they need a lot of help from other agencies, they create their own interagency processes. CIA, for instance, runs an interagency meeting at 5:00 almost every day, to enlist help in working on the daily threats. But that is only the best known example. Analogous meetings occur in meetings run by the FBI, by the military's Central Command, by the military's Special Operations Command, and so on. As for intelligence, each major agency tries to build its own fusion center.

This was the basic pattern before 9/11. Take, for example, the Moussaoui case. Moussaoui was arrested in August 2001 because of his suspicious behavior at a Minnesota flight school. The FBI in Minneapolis takes charge of the case, works it hard, and runs into frustrating problems in pursuing the investigation. None of the senior managers at FBI hear about the case or these problems. But – good news – the arrest is brought to the attention of the top official at CIA. DCI Tenet was told about the case in late August. "Islamic Extremist Learns to Fly," was the heading on his briefing. We asked him what he did about that. His answer was that he made sure his working-level officials were helping the FBI with their case. Did he raise it with the President, or with other agency counterparts – even at the FBI? No, he answered, with some heat. After all it was, he insisted, the FBI's case.

There is one example of the pattern. Vertical integration. Even a willingness to cooperate. But not **joint** analysis. Not **joint** planning. No connection of the case to the national intelligence picture of imminent attack. No involvement by the White House – no one there even learned about the case until after the 9/11 attacks. Other illustrations can be found in the report, especially in chapter 11 and chapter 8.

Since 9/11 we saw evidence of:

-- an enormous expansion of effort, with …

-- more numerous and stronger participants, including three unified commands in the Defense Department and an entirely new cabinet department, working in …

-- the same outdated, redundant, and fragmented system, producing …

-- energetic, often effective, but disjointed analysis and action, managed by …

-- constant improvisation led by a greatly (50%) enlarged White House staff and proliferating interagency working cells around the government.

Since terrorism poses such a revolutionary challenge to old ways of executive management in our national security bureaucracy, counterterrorism requires an innovative response.

One source of inspiration was in national defense. During World War II the U.S. created a Joint Staff that works for the Chairman of the Joint Chiefs of Staff. Plans and operations were still mainly formulated by the different services – the Army, Navy, Air Force, and Marines. But the Joint Staff tried to coordinate their efforts. Experience showed this coordination was not good enough. Since the passage of the Goldwater-Nichols Act of 1986, the structures changed again. The Chairman of the JCS, and the Joint Staff, became much stronger. The Joint Staff developed joint analysis and joint planning for joint action. Then those plans were directed and executed by combatant commanders or the military departments.

The military processes are far from perfect. But few if any commanders would prefer to go back to the old model.

In executive management of counterterrorism today, the U.S. government has not yet reached the level of coordination attained by the Joint Staff in 1943, much less the level of jointness practiced by the military since 1986. This is because the major bureaucracies are not part of one department, but are in departments or agencies of their own. Their stovepipes are cast iron.

Our recommendation calls for a National Counterterrorism Center. The Director of the NCTC should be the President's principal adviser on counterterrorism intelligence and joint operations.

-- Pursuant to policies set by the President and the National Security Council, the Director should assist the President and the National Intelligence Director in providing unified strategic direction for civilian and military counterterrorism efforts and the effective integration of intelligence and operations across agency boundaries, inside and outside of the United States.

-- The Director should advise the President and the National Intelligence Director on the extent to which the counterterrorism program recommendations and budget proposals of the departments and agencies of the U.S. government conform to the priorities established by the President and the National Security Council.

-- The Director of the NCTC should play a critical part in the selection of the principal counterterrorism operating officers of the major executive departments and agencies.

The NCTC Directorate of Intelligence – its "J-2" – should have primary responsibility in the U.S. government for analysis of terrorism and terrorist organizations from all sources of intelligence, whether collected inside or outside of the United States. It should be the reference source for all-source information about suspected terrorists, their

organizations, and their likely capabilities. It should propose relevant intelligence collection requirements for action by national and departmental agencies inside and outside of the United States. It should have primary responsibility in the U.S. government for net assessment and warning about the terrorism danger, comparing enemy capabilities with assessed national vulnerabilities.

How would this differ from the current Terrorist Threat Integration Center (TTIC)? Compare it with the administration's description in the letter DCI Tenet and others sent to Senators Collins and Levin in April.

-- The NCTC should be what we – and now President Bush -- call the "knowledge bank" for the government. But it would draw strategic analysts for this purpose from the present CIA Counterterrorist Center – a matter left unsettled in the Collins-Levin letter. It would draw key analysts from the Pentagon as well. Revealingly, the Department of Defense was not a signatory to the Collins-Levin letter.

-- Backed by the authority of the proposed National Intelligence Director, and the President, the NCTC should be much more likely to recruit outstanding analysts, including experts in using single-source information like those at the NSA. Now TTIC makes do with the analysts other agencies can spare, after those agencies have satisfied their own pressing demands, including the staffing of their own agencies, with their own fusion centers. Such joint assignments should be more attractive with joint personnel policies across the Community to encourage them, personnel standards that we propose should also be set by the National Intelligence Director.

-- The NCTC should have the net assessment function. That job was assigned in the Collins-Levin letter to the Department of Homeland Security. Since that Department does not have principal responsibility for analyzing a largely foreign enemy, the NCTC is better able to perform this role, drawing on DHS analysis of domestic vulnerabilities.

-- The NCTC should have the power to use its analysis to guide collection. Though the Collins-Levin letter said it might give TTIC such authority, the mechanism for doing so was left undefined. And our proposal again allows the NCTC to draw complementary authority from the National Intelligence Director. In our proposal that official will have much greater authority to direct national intelligence assets than the authorities now available to the current Director of Central Intelligence.

-- Finally, the current TTIC is expressly forbidden from being involved in operations. Like those in the military, or diplomacy, or finance, or law enforcement, we instead believe the integration of analysis and action is essential. We therefore turn to the other principal component of the proposed NCTC.

The NCTC Directorate of Operations – the "J-3" -- should have primary responsibility for providing guidance and plans, including strategic plans, for joint counterterrorism operations by the U.S. government.

-- These plans should conform to the counterterrorism policies and priorities set by the National Security Council.

-- Operations can be considered joint that involve, or are likely to involve, more than one executive department or agency of the U.S. government, or are designated as joint activities by the NCTC.

-- The Directorate of Operations draws on the intelligence resources of the NCTC and monitors current operations to track the implementation of ongoing joint plans. NCTC guidance and plans assign responsibilities to executive departments and agencies to direct and execute operations, under their operational control.

-- The Director should report to the National Intelligence Director on the general budget and programs of the Center, the activities of the Intelligence Directorate, and the conduct of intelligence operations. The Director should report to the President and the National Security Council on the planning and progress of other joint counterterrorism operations.

The NCTC would not break the formal chain of command for executive agencies, just as the Joint Staff today is not part of the formal chain of command between the President, the Secretary of Defense, and combatant commanders. If the heads of executive departments disagree with a joint plan, then the NCTC should accede, or take responsibility for elevating the issue to the National Security Council and the President in order to obtain needed decisions.

The NCTC should have substantial overall responsibility, and accountability. It must track cases, monitor the implementation of plans, and update those plans to adapt to changing circumstances, inside and outside of the United States.

Organization of National Intelligence

The present organization of national intelligence embodies the same management weaknesses we identified in counterterrorism, but on a much larger scale and touching many other subjects. Our report identified various weaknesses. President Bush has acknowledged the need for a national intelligence director separate from the head of the CIA. Senator Kerry shares this judgment. We hope the Congress will agree.

Our recommendations flow from several aspects of the 9/11 story. In December 1998 DCI Tenet sent a memo to the senior managers of the Intelligence Community saying they were "at war" against Bin Ladin and his associates. A maximum effort was needed. There was no evident response. We critiqued DCI Tenet's management strategy for this

war. But, since he would have been hard pressed to implement even an ideal strategy, there was less incentive to devise one.

We view this recommendation as an enabling, empowering idea. There are many particular management issues in the Intelligence Community: reallocating money, improving human intelligence, improving the quality of all source analysis, and better integrating open source information are just a few. Only a modern management structure can enable the Intelligence Community to achieve these goals. Only such a structure can achieve the unity of effort and efficiency needed where funds are not unlimited, and hard choices must be made across agency lines.

In national intelligence the work is done by a number of agencies, vertically integrated with weak central direction or control. The private sector has increasingly turned to other management approaches to get lean horizontal direction across the large operating divisions. This is sometimes called a "matrix management" model, by firms like Citicorp or General Electric.

In national defense, two innovations were key. One was the horizontal direction provided by the Joint Staff. The other was the establishment of more powerful unified commands for joint action. The military departments had the job of organizing, training, and equipping the capabilities to be used by these joint commands. There are thus two lines of authority to the Secretary of Defense. One goes to him from the unified combatant commands, like CENTCOM and SOCOM and NORTHCOM. Another goes to him from the military departments, like the Army, Navy, and Air Force.

Another source of inspiration was an emerging view within the CIA in favor of what one manager called "the integration imperative" for working on key targets. Some writers have called for the creation of "joint mission centers" bringing together experts from several disciplines working together on a problem like terrorism or proliferation.

Borrowing some of these ideas from the private sector and government, the Commission thus recommended a National Intelligence Director and a different way of organizing the intelligence work in the government.

The National Intelligence Director should be the principal intelligence adviser to the President and the National Security Council. Certain authorities must be clear:

-- The Director should receive the appropriation for national intelligence. Such appropriations are now made in three programs – the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA), all to the Secretary of Defense. These programs should be consolidated into two – a national intelligence program, appropriated to the National Intelligence Director and consisting of the current NFIP and probably much of the current JMIP, and a departmental appropriation for systems and capabilities that will only be used by the Department of Defense.

-- The overall appropriation should be unclassified, as should the topline appropriation for the principal intelligence agencies. Congress and the American people should be better able to make broad judgments about how much money is being spent, and to what general purpose.

-- The Director should have hire and fire authority over the heads of the national intelligence agencies and the principal intelligence officers of the Defense Department, the FBI, and the Department of Homeland Security.

-- The Director should be able to set common standards across the Intelligence Community for personnel (in part to facilitate joint assignments), for security (to reduce unnecessary or inadvertent compartmentation), and for information technology.

The National Intelligence Director should have two principal lines of authority, both crossing the foreign-domestic divide.

The National Intelligence Director's first line of authority should extend to national intelligence centers, organized for joint missions. These centers – the unified commands of the Intelligence Community -- should provide all source analysis drawing on experts from a number of agencies. Guided by their analytic work, they should be able to propose collection requirements and task assets. Conflicting demands would be resolved by the National Intelligence Director.

-- The NCTC would include one of these national intelligence centers but would be much more, as it also includes the operational function called for by the urgent transnational demands of counterterrorism work.

The National Intelligence Director's second line of authority should extend to the national intelligence agencies and departmental entities that should be the capability builders for the nation's intelligence. They should hire, organize, train, and equip the people and operate the major systems and platforms.

-- The CIA would take the lead in foreign intelligence, concentrating on training the best spies and analysts in the world.

-- The Defense Department would take the lead in defense intelligence, honing that craft and acquiring and operating key national technical systems.

-- The Homeland Security Department and the FBI would take the lead in homeland intelligence, harnessing the great potential knowledge accumulated in the new department and fostering – with the leadership of the National Intelligence Director – the FBI's management reforms to improve its performance as an intelligence agency.

In the exercise of this second line of authority, over the capability building agencies, we propose that the NID would share authority with the department head who owns and operates those capabilities for the nation. These key managers, such as the Director of the CIA – should be the NID's deputies.

-- These shared authorities exist now, of course, in the status quo. In the status quo, the balance of authority favors departmental direction, not national direction. We propose altering that balance.

-- The alternative to shared authorities would be to place the capability building agencies under the authority of a single official, in effect creating a department of intelligence. We were not convinced of the need to take that further step.

One issue that has arisen is the question of whether to place the NID, or the NCTC, in the Executive Office of the President.

-- Do not lose sight of the overall goal. The authorities of the Director and the organization of intelligence work are critical, wherever they reside.

-- We recommended the Executive Office of the President because of the need for proximity to the President and the National Security Council and because of the centrality of counterterrorism in contemporary national security management.

-- If not put in the Executive Office of the President, one alternative would be to create a new agency as a home for the NID and the NCTC. Lacking any existing institutional base, such an option would require authorities at least as strong as those we have proposed, or else it would create a bureaucratic 'fifth wheel' that would make the present situation even worse.

-- Another alternative would be to place the NID and/or the NCTC in another existing agency or department, such as the CIA or the Defense Department. These alternatives then have their own issues, such as the risk of confusing the mainly foreign responsibilities of the CIA and the circumscribed domestic responsibilities of the Defense Department with the broader domestic and foreign span of control being exercised by both the NID and the NCTC.

-- Placing the NID in the Executive Office of the President would have little effect on politicization. Those dangers have always arisen from the functions and relationships that go with the job, regardless of where the person sits – whether at Langley, the Pentagon, or in the Eisenhower Executive Office Building. Those dangers should be offset by selecting a person who believes the President is served by rigorous truth telling and by making the NID (and NCTC Director) fully accountable to Congress.

In closing, we wish to caution – as Chairman Kean and Vice Chair Hamilton did last Friday – against cosmetic change. Creating a National Intelligence Director that just

superimposes a chief above the other chiefs without taking on the fundamental management issues we identify is a step that could be worse than useless.

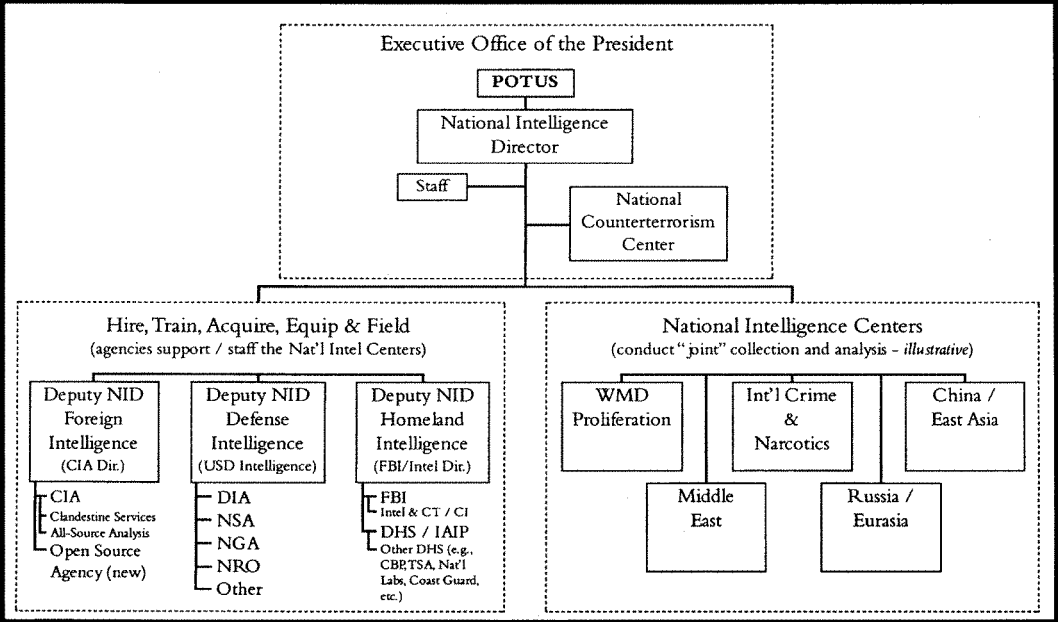
Also, please do not forget the strategy – the substance – at the heart of our recommendations. Do not forget, though it may be the work of others – the other organizational suggestions we make, especially in information sharing and for reshaping the oversight work of the Congress.

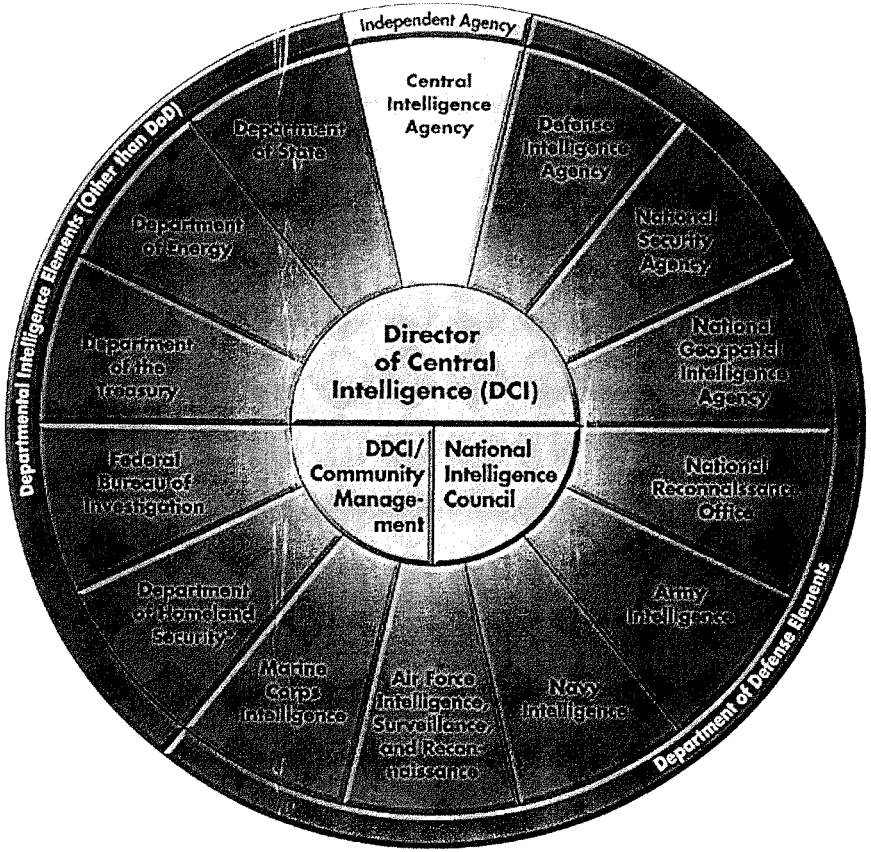
Many voices will rightly caution you against undue haste, But the Commission did not act with undue haste in developing these recommendations, as it built on ideas that – in some cases -- have been debated for more than twenty years. President Roosevelt, Secretary Stimson, and General Marshall did not act in haste when they created a Joint Chiefs of Staff to cope with weaknesses made evident by war. The Congress and President Truman did not act with undue haste in rapidly adopting a National Security Act in 1947 that, among other things, created a Secretary of Defense vehemently denounced at the time as an unnecessary bureaucratic layer.

A rare opportunity has emerged to recover common purpose and take common action across partisan lines, even amid a hotly contested election. Such opportunities take the measure of leaders. We have been deeply impressed by the readiness of our nation's leaders – in both parties – to step up and call for prompt action. The response of the Congress, of the Senate and House leadership, and of this committee, has already moved into unprecedented ground. You have already stepped beyond what was probable, to consider what is possible.

Thank you.

The 9/11 Commission's Recommendation for Restructuring the Intelligence Community




Independent Agency
Central Intelligence Agency
Defense Intelligence Agency
National Security Agency
National Geospatial Intelligence Agency
National Reconnaissance Office
Army Intelligence
Navy Intelligence
Air Force Intelligence, Surveillance and Reconnaissance
Marine Corps Intelligence
Department of Homeland Security
Federal Bureau of Investigation
Department of the Treasury
Department of Energy
Department of State
Director of Central Intelligence (DCI)
DDCI/ Community Management
National Intelligence Council
Departmental Intelligence Elements (Other than DoD)
Department of Defense Elements

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August 2, 2004

The Honorable Susan Collins
Chair
Committee on Governmental Affairs
United States Senate
SD 340
Washington, D.C. 20510

The Honorable Joseph Lieberman
Ranking Member
Committee on Governmental Affairs
United States Senate
SH 604
Washington, D.C. 20510

Dear Chairman Collins and Ranking Member Lieberman:

I am writing to commend you for the leadership you have already shown in addressing the recommendations issued by the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission), and to request that the Senate Governmental Affairs Committee hold a hearing to determine the method for implementing the 9/11 Commission's recommendation that federal funding for emergency preparedness be based "solely on risks and vulnerabilities ...."

The July 30th committee hearing featuring testimony from 9/11 Commission Chairman Thomas Kean and Vice Chairman Lee Hamilton was an essential first step in your committee's exploration of ways to enhance our Nation's homeland security. Tomorrow's scheduled hearing, "Assessing America's Counterterrorism Capabilities" -- featuring officials from the Terrorist Threat Integration Center, the Central Intelligence Agency, the Federal Bureau of Investigation, the Department of Homeland Security (DHS), as well as staff members of the 9/11 Commission – is certain to advance our understanding of what measures have been put in place, and what additional measures are needed, to hunt down terrorists and prevent their vicious attacks before they reach fruition.

We understand, however, through our experience working together on federal funding formula issues, that an absolutely critical factor in homeland defense is meeting the challenge of getting federal funding to first responders in a timely manner. The current threat warnings to New York, New Jersey, and Washington, D.C., demonstrate once again the importance of allocating these funds based on threat and vulnerability. Indeed, New York City is already spending more than $200 million per year on homeland security for New York Police Department overtime alone because the City is always on a high alert.

The 9/11 Commission recommends as follows – on page 20 of the Executive Summary under the heading "Protect against and Prepare for Terrorist Attacks" – "Base federal funding for emergency preparedness solely on risks and vulnerabilities, putting New York City and Washington, D.C., at the top of the current list. Such assistance should not remain a program for general revenue sharing or pork-barrel spending."

The priority we have given the issue of the federal funding formula for first responders is underscored in the most serious way by the advisories issued yesterday by Administration and the elevated federal threat level for the financial services sector, including specific buildings, in New York City, New Jersey, and Washington, D.C. According to news reports, Secretary Tom Ridge said yesterday: "The quality of this intelligence, based on multiple reporting streams in multiple locations, is rarely seen, and it is alarming in both the amount and specificity of the information."

I have worked hard to persuade my colleagues and the Administration that there is no more pressing need than threat- and vulnerability-based federal funding. In January of 2003, on the very first day of the previous session of Congress, I introduced the *Homeland Security Block Grant Act of 2003*, which was one of, if not the, first congressional attempts to include a specific formula for the distribution of homeland security funds that is based on a variety of factors in addition to population. As you may know, that legislation also calls for direct funding for many of our cities and towns.

Moreover, as you know, President Bush finally expressed his public support for threat-based funding for the State Homeland Security Grant program in his proposed budget for Fiscal Year 2005. I am confident that if the issue is fully and publicly explored by your committee at this moment in time we can put this essential recommendation by the 9/11 Commission on the front burner of the Congress and finally institute threat and vulnerability based funding. Commission after commission has recommended this step. It is high time for Congress to act.

Thank you for considering this request. If you have any questions, please contact Leecia Eve on my staff at 202-224-2348.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

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August 2, 2004

The Honorable George W. Bush
President of the United States
Washington, D.C. 20500

Dear Mr. President:

Given your decision to exercise authority to issue executive orders to implement many of the recommendations of the National Commission on Terrorist Attacks Upon the United States (the "9/11 Commission"), I respectfully request that you issue an executive order requiring the allocation and distribution of State Homeland Security Grant Program funds and Law Enforcement Terrorism Prevention Grant funds – the two primary federal homeland security funding programs – based on threat and risk, rather than population alone, which is the current formula used by the Department of Homeland Security. Doing so would effectuate one of the 9/11 Commission's most important recommendations, which calls for the distribution of homeland security assistance based on an assessment of risk and vulnerabilities.

It would also provide additional help to cities – like New York – that are under greater threat and have borne an enormous financial and personnel burden to keep Americans safe and to protect our nation's critical infrastructure. Yesterday's threat warnings served as yet another reminder of the need to provide these resources to communities that need it most. Indeed, New York City has almost $1 billion in homeland security needs and is already spending more than $200 million per year on homeland security for New York Police Department overtime alone because New York remains on high alert.

As the 9/11 Commission stated: "We understand the contention that every state and city needs to have some minimum infrastructure of emergency response. But federal homeland security assistance should not remain a program for general revenue sharing. It should supplement state and local resources based on the risks or vulnerabilities that merit additional support."

This recommendation of the 9/11 Commission follows the recommendation made more than a year ago by the Independent Homeland Security Task Force of the Council on Foreign Relations – the task force chaired by former Senator Warren Rudman – which in June 2003 issued its third report, entitled "First Responders, Drastically Underfunded, Dangerously Unprepared," reminding all of us of how much we have left to do and the resources we still need to provide to support our first responders – those on the front lines here at home in the war against terrorism. The Task Force found that "existing systems for determining the distribution of appropriated funds to be badly in need of reform . . . [t]he state and population driven-approach has led to highly uneven funding outcomes. . . [and] [w]hile this approach may have political appeal, it unnecessarily diverts funding from areas of highest priority." As a result, the Rudman Task Force also called for the allocation of homeland security funds based on threat and

vulnerabilities, similar to the recommendation in its October 2002 report, "America – Still Unprepared, Still In Danger", when it called for emergency federal funding to be made available to address the highest-priority state, county, and city public health needs.

With the recommendation of both the 9/11 Commission and the Rudman Task Force, I could not agree more. We must have a better formula for the distribution of state and local homeland security grants that is based, not solely on the population of a state, but on a variety of threat and vulnerability factors. I am certain that as terrorists are plotting where to attack next in our country they are looking at many of these same factors. So should we. That is why I have long advocated that the Department of Homeland Security distribute the majority of federal homeland security funding based upon threat and risk. Whether through direct funding – which I continue to believe is the best, fastest, and most efficient way to disburse homeland security funding to many communities – or through funding that is sent to the states and passed through to local communities, the federal government must use a threat-based formula in disbursing homeland security funding to communities to assist them with their homeland security needs.

In January 2003, I introduced legislation that contained a threat-based formula and provided for direct funding. Throughout the year, I learned a lot from meeting with first responders and from homeland security experts, and in January of this year, I introduced a new bill – the *Domestic Defense Fund Act of 2004* – which provides $1.5 billion in direct funding for high-threat urban areas and calls for the majority of an additional $5 billion in authorized funding to be allocated and distributed directly based on threat and risk.

In addition, last year, I wrote Secretary Ridge in March, June, and again in July imploring the Department to use a threat-based formula. Secretary Ridge and I met about this issue as well last June and on the need for a threat-based formula, he and I agreed. Moreover, the Department had the authority to allocate State Homeland Security Grant funds and Law Enforcement Terrorism Prevent Grant funds based on threat because although the FY 2004 homeland security appropriations bill that was passed by Congress contained a small-state minimum, it was *silent* on the issue of what formula should be used to allocate the remaining funds – approximately 62% of grant funds – once the small-state minimum was applied. The bill contained *no* language that *required* the Department to allocate homeland security funds based on population alone.

Although I believe your Administration has not allocated homeland security funding in the most appropriate way in the past, there is a still a tremendous opportunity, moving forward, to allocate funding in a way that is in the best interest of our nation's homeland defense. As we all have been reminded with the most recent threat warnings, sending federal homeland security resources to where they are needed most should be a central component of our national homeland defense efforts. As I have said to Secretary Ridge in the past, I stand at the ready to provide any assistance to help make our nation's homeland defense as strong as possible.

Sincerely yours,

Hillary Rodham Clinton

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HEADLINE: Intelligence Reform And False Urgency

BYLINE: Chuck Hagel

We stand at a moment filled with potential for bringing about the responsible intelligence reforms needed to meet the threats of the 21st century. But if we allow the current national consensus for intelligence reform to become a tool in the partisan rancor of presidential politics, we risk doing enormous damage to our intelligence community. We must not allow false urgency dictated by the political calendar to overtake the need for serious reform. This is an enormous undertaking filled with consequences that will last a generation.

There is no debate about the need to reform our 20th century intelligence infrastructure. Yesterday President Bush and Sen. John F. Kerry publicly discussed several reform ideas that Congress will consider. But there is much work to be done to bring about the right reforms. Policymakers must not shy away from this responsibility; we must embrace it. The stakes could not be higher. While inaction is unacceptable, serious consequences will come with reform. Policymakers owe it to the American people to understand these consequences before they act.

A mistaken impression has developed that since Sept. 11, 2001, little has been done to improve our intelligence capabilities. This is not true. We are unquestionably a safer nation today than we were three years ago. The legislative and executive branches of government have been reviewing and adjusting our intelligence -- the gathering, processing and management of it -- since Sept. 11. We are vastly more prepared to respond to biological or chemical terrorist attacks than before Sept. 11. Our border security, documentation, information sharing and coordination among government agencies have all been improved. Last month, the Senate Select Committee on Intelligence, on which I serve, issued the first part of our report on intelligence failures prior to the war in Iraq. We have begun the second phase of our report, which will include recommendations on reform of our intelligence community. We have heard and will continue to hear from current and former members of that community, intelligence experts and policymakers responsible for making decisions based on the intelligence they are provided.

In 2001 the president's Foreign Intelligence Advisory Board, chaired by former national security adviser Brent Scowcroft, provided the president with a comprehensive review of the intelligence community and recommendations.

Last month the Sept. 11 commission, led by former New Jersey governor Tom Kean and former Indiana representative Lee Hamilton, produced a remarkable bipartisan document that offered recommendations for improving our intelligence and security structures. All Americans owe them a debt of gratitude for their work.

This year President Bush designated a bipartisan panel to examine U.S. intelligence capabilities. The commission, led by former senator and governor Chuck Robb of Virginia and federal appellate judge Laurence Silberman, has been given a broad mandate to "assess whether the Intelligence Community is sufficiently authorized, organized, equipped, trained and resourced to . . . support United States Government efforts to respond to . . . the proliferation of weapons of mass destruction, related means of delivery, and other related threats of the 21st Century." They are to report their findings to the president by March 31.

In addition to the intelligence committees, Senate and House committees are studying reform of our intelligence community. Some will hold hearings during the August congressional recess. The work of intelligence reform cuts a wide swath across our government. All these hearings in committees of jurisdiction are critical for any reforms to succeed.

The American people should have confidence that our intelligence system is the finest in the world. This is no reason to ignore the reforms needed to meet the threats we face, but it is reason for the American people to feel secure. They should not be misled into believing that they are at risk because of an incompetent, inadequate intelligence system. Panic is not the order of the day. Responsible reform is the objective.

Our society is the most open, transparent and free society in history. Because of this, we will always face risks. The leaders charged with keeping this country safe should never be satisfied that we have done enough. There will always be room to improve our intelligence and security systems.

We will reform our intelligence community. The responsibilities of leadership require our action. But we must not rush haphazardly through what may be the most complicated and significant government reorganization since World War II. By the time the commission that President Bush empaneled to examine U.S. intelligence reports to him next March, we will have completed a massive series of investigations and hearings and a decisive presidential election.

The consequences of the decisions we make regarding intelligence reform will ripple far beyond our shores. The security of the next generation of Americans and global stability depend on our ability to wisely answer history's call. We must match the timeliness of our actions with wisdom and reason. This

POST-HEARING QUESTIONS AND RESPONSES FOR THE RECORD SUBMITTED TO MR. BRENNAN

Question 1: In your prepared testimony you refer to the planned collocation of the CIA's Counterterrorist Center (CTC) and the FBI's Counterterrorism Division with the Terrorist Threat Integration Center (TTIC) "in the coming months." When was this collocation decided upon and who made the decision?

Response: On 14 February 2003, The President announced that the FBI's Counterterrorism Division, the Director of Central Intelligence's Counterterrorist Center, and TTIC would relocate, as soon as possible, to a single new facility in order to improve collaboration and enhance the government's ability to thwart terrorist attacks and bring terrorists to justice.

Question 2: What is the intended purpose of this collocation, and how will it affect the operation (and collaboration) of the three entities?

Response: Collocation of these major U.S. Government Counterterrorist elements is intended to enhance information sharing, and enable better orchestration of activities in the fight against international terrorism. Specifically, collocation will:

- Enhance interaction, information sharing, and synergy among U.S. officials involved in the war against terrorism.
- Maximize resources by reducing administrative overhead.
- Enhance FBI's and CIA's coordination of operations against terrorist targets inside and outside the United States.

Question 3: Are they intended to work together or cooperate more closely than is currently the case?

Response: Initially, collocation will foster closer cooperation. Over time, we hope that collocation will lead to some integrated work units.

Question 4: How will the operation of the new collocated entities compare to the notional operations of the National Counterterrorism Center (NCTC) proposed by the 9/11 Commission?

Response: On August 27, 2004, the President signed an Executive Order establishing the National Counterterrorism Center and outlining its responsibilities. Although a number of details remain to be finalized, we can highlight a few differences.

a. The collocated entities at Liberty Crossing each report to a different chain of command: FBI's Counterterrorism Division reports to the Director, FBI, through the Executive Assistant Director for Counterterrorism; CIA's Counterterrorism Center reports to the Director, CIA through the Deputy Director for Operations and TTIC reports to the Director of Central Intelligence through the D/TTIC. As the NCTC concept is further defined by the DCI, in consultation with OMB and the heads of partner agencies, some of the components at Liberty Crossing may end up reporting to the head of the NCTC, thus altering their chain of command.

b. Currently the collocated entities do not conduct net assessments; these are the purview of DHS, Department of State and others. The 9/11 Commission Report states that the NCTC "should develop net assessments." The Executive Order establishing the NCTC does not address the issue of net assessments, so this detail will need to be addressed.

c. Two of the three collocated entities (CIA/CTC and FBI/CTD) conduct operational planning of their own; the new Executive Order explicitly states that the NCTC "should conduct strategic operational planning for counterterrorism activities."

Question 5: Gentlemen, I am interested to learn what changes the community has undergone since 9/11 to address the failings and criticisms. How would you characterize the flow of information between and within agencies today as opposed to 9/11?

Response: Significant progress has been made on information sharing throughout the Federal government and beyond since the tragic events of 9/11. The implementation of streamlined processes and procedures, enhanced partnerships bridging organizational boundaries, and the deployment of new technologies have enabled the integration and dissemination of information on terrorist threats to U.S. interests at home and abroad in a more timely and comprehensive manner than ever before.

To begin with, a solid legal and policy groundwork for information sharing has been put in place: the USA PATRIOT Act; the Homeland Security Act; the Presidential decision to create the Terrorist Threat Integration Center; the Memorandum of Understanding between the Intelligence Community, Federal Law Enforcement Agencies, and the Department of Homeland Security Concerning Information Sharing; the Director of Central Intelligence Directive establishing TTIC; Homeland Security Presidential Directive 6 creating the Terrorist Screening Center; and the first of a new series of DCI Directives pertaining to Information Sharing, DCID 8/1 Intelligence Community Policy on Intelligence Information Sharing, have all played a role in driving the improvements in sharing terrorism-related information. The President's recent issuance of the Executive Order Strengthening the Sharing of Terrorism Information to Protect Americans will ensure continued success in this area.

The Community also has drastically increased the volume of reporting on the terrorist threat. Immediately after the terrorist attacks on September 11, 2001, purely terrorism-related intelligence reporting surged, from an average of roughly 300 per day in early 2001, to an average of approximately 850 reports per day in late 2001. Since that time, the amount of intelligence reporting on terrorism-related issues has continued to increase to about 1,700 per day in 2004. More importantly, because of the technical, cultural and business practice changes that are starting to take place, that information is being widely disseminated to those intelligence, law enforcement, and homeland security analysts who need to see it.

TTIC takes its responsibilities in the information-sharing arena very seriously. Beyond the core business function of integrated analysis and the associated Department focused on Analysis and Production for the entire Community, TTIC

has three organizations that are directly involved in information sharing:

- TTIC's CIO has worked closely with the Community CIOs and all relevant partners to ensure that the proper architecture and standards are in place to support the mission of terrorism analysis. Our CIO's extraordinary work has been amongst the most visible of TTIC's successes, receiving wide acclaim across the Community. In particular, TTIC Online, which will be discussed below, has become the principal source of all source terrorism analysis for the entire Community.

- TTIC stood up an Information Sharing Program Office in mid-2003 to oversee implementation of the Information Sharing MOU. Our focus has been on the key impediments to a free flow of terrorism-related information, including such issues as "Originator Controlled Information," "the Third Agency Rule," "No Double Standard" rule and so forth. Such control mechanisms have their place, if properly used, but by definition also impede information sharing. TTIC is working with the Community to reduce these impediments to the absolute minimum: one metric of success - the use of ORCON has declined across the Community by almost 50% since 9/11.

- And recently, TTIC and DIA have established a Force Protection Cell, staffed by DoD assignees to TTIC. These individuals will have complete access to all information available to TTIC and will focus on that reporting that might be relevant to DoD's force protection requirements around the globe. Once identifying such reporting, they will work the modalities to ensure rapid dissemination to the Defense Department. TTIC believes this could be a useful model for other Departments and Agencies to follow.

Question 6: As you sit here today, can each of you say that you believe that you have greater access to all of the intelligence that is being gathered than you did prior to 9/11?

Response: Although TTIC was not in existence prior to September 11, 2001 our direct connectivity with 26 separate

U.S. Government networks provides an unprecedented level of access to terrorism-related information.

Moreover, to facilitate improved information sharing across the entire Community of analysts working the terrorism problem, in August 2003 we launched the TTIC Online (TTOL) website. TTOL serves as the front door for the Intelligence, Law Enforcement, Homeland Security and Military communities to access a broad range of counterterrorism threat information. This highly secure capability can reach virtually the entire structure of the Federal Government, hosting over 2800 users in the JWICS Top Secret community. TTOL reaches not only the traditional national Intelligence Community terrorism analytic elements, but also the JTTFs, the military Commands, and numerous entities outside the Intelligence Community that have a need for terrorism-related information. Posting of intelligence reporting by a variety of users ensures greater access to the diversity of products on terrorism.

Question 7: What has been done and what needs to be done to ensure that we continue to break down the barriers between agencies and analysts that hinder the fusion of information and analysis?

Response: Two new Executive Orders, signed by the President on 27 August 2004, greatly facilitate programs in the establishment of an information sharing architecture.

First, the Executive Order on the National Counterterrorism Center directs the head of the NCTC to "establish both within the Center, and between the Center and agencies, information systems and architectures for the effective access to and integration, dissemination, and use of terrorism information from whatever sources derived." Second, and more importantly, the Executive Order Strengthening the Sharing of Terrorism Information to Protect Americans establishes an Information Sharing Council to "plan and oversee establishment of an interoperable terrorism information sharing environment to facilitate automated sharing of terrorism information among appropriate agencies." We look forward to assisting with these two critical endeavors.

In addition, although TTIC is only 15 months old, our accomplishments in breaking down the barriers between

agencies and analysts that hinder the fusion of information are noteworthy. Highlights include:

- Development of a wide range of products at varying classification levels designed to inform customers throughout the federal government.
- Establishment of relationships with foreign counterparts to facilitate worldwide information sharing.
- Achievement of unprecedented data access to information on 26 networks across the federal government.
- Establishment of the Information Sharing Program Office to assist in the implementation of the requirements of the Information Sharing Memorandum of Understanding. Among other things, this has already led to a reduction in originator controls placed on intelligence products (ORCON), improvements in tear line reporting, and a better focus on information sharing policies and procedures. TTIC is working with the Intelligence Community to reduce these impediments to the absolute minimum: one metric of success - the use of ORCON has declined across the Community by almost 50% since 9/11. In addition, TTIC led a Counterterrorism Information Sharing conference, attended by over 270 representatives from the Intelligence and DoD communities. The group identified still existing departments' and agencies' regulatory and cultural impediments to information sharing and established the framework for follow-on efforts to eliminate identified information sharing hindrances.
- Integration of international terrorist identities information into a central USG repository: TIPOFF was merged with TTIC on 17 November 2003; we have streamlined the nomination process for a more coherent national watchlisting system; and we are working with the Terrorist Screening Center (TSC) to ensure that our respective systems are well integrated.
- Establishment of a red teaming cell to explore new approaches to "connecting the dots" and to employ predictive analytic capabilities such as gaming, modeling, and simulation.

As we focus on the further changes necessary to facilitate greater information sharing, it is important to remember that Information Sharing is not a panacea. In short, information sharing is necessary, but it is not sufficient by itself. We also need to have the correct business architecture for terrorism analysis, as well as a critical mass of analytic talent. Terrorism is an extraordinarily difficult analytic problem and the key to success is having long-term expertise and state-of-the art technical analytic tools able to sort through reams of information, much of which is inaccurate, contradictory or utterly irrelevant.

Question 8: Mr. Brennan, I know TTIC was created with the intentions of eliminating these barriers, but I have a feeling that still today our best analysts are often provided with only part of the raw data and source information, if any at all, needed to put the puzzle together?

Response: The core mission of TTIC is to integrate and analyze all terrorist threat-related information available to the U.S. Government, collected domestically or abroad, to form a comprehensive picture of threats to US interests at home and abroad. To accomplish this mission, TTIC has an unprecedented level of access to information from 26 data networks (and additional networks will be online soon). This includes access to information that has not been formally disseminated as intelligence reports, such as CIA operational cables and internal FBI electronic communications and case files. While "we don't know what we don't know," we are comfortable that our partners are doing everything possible to share relevant information.

Question 9: How do we balance the need to protect sources and methods and the need for context and background in analysis?

Response: TTIC's approach has been to provide access to all relevant information to those with a need to know and appropriate clearance; information is shared outside of TTIC only with the approval of the originating agency (approval is considered implicit for all disseminated intelligence). Further TTIC publishes intelligence at various levels of classification to ensure that all customers have access to some terrorism-related intelligence information. Those who have the

responsibility for making decisions regarding threat information (i.e., those at the highest levels of government) receive source information; those responsible for taking action to protect against threats generally are not provided with specific source information, but are made aware of the reliability of the threat information.

Question 10: Gentlemen, how do we set up an apparatus that ensures that the people that need to see all of the information see it?

Response: With regard to terrorism information, we believe we have a prototype for information sharing. TTIC Online (TTOL) is a classified web site designed to share US Government information on the terrorist threat with as diverse and broad an audience as possible. TTOL reaches traditional national intelligence community terrorism analytic elements, as well as the JTTFs, the military commands, and numerous entities outside the Intelligence Community that have a need for terrorism threat data. Moreover, agencies that "own' information can direct post to TTIC Online with the assurance that only those with appropriate clearance can review the information. Currently, there are two versions of TTIC Online: Top Secret and Secret. We will be deploying other versions to ensure ever broader access to information.

Developing a more robust apparatus will require a greater level of attention and funding. The Information Systems Council, established by the President in the Executive Order Strengthening the Sharing of Terrorism Information to Protect Americans, has as its mission "to plan for and oversee the establishment of an interoperable terrorism information sharing environment to facilitate automated sharing of terrorism information among appropriate agencies." This Council should facilitate a more robust information sharing architecture.

Question 11: How can we ensure that the expert not only sees it but all of it in the rawest possible form?

Response: TTIC has been working with information providers from across the government to gain access to all appropriate information. Further progress in the information-sharing front will be the purview of the new NCTC and the Information Systems Council discussed in more

detail above. This is a difficult problem that requires the combined attention of all players.

Question 12: Is there now a central database where all intelligence can be accessed as was envisioned during the creation of the Department of Homeland Security?

Response: TTIC Online functions as a central repository of disseminated terrorist-related information. TTOL presently has over 3.5 million documents available for review. We are working with USG agencies and departments to ensure that their information is appropriately posted.

Question 13: Could each of you detail how the recommendations set forth by the Commission affect your departments/agencies?

Response: Without a detailed understanding of how the Commission's recommendations would be implemented it is difficult to comment on the impact to TTIC. Suffice to say that TTIC will be fully integrated into the NCTC; as noted in the Executive Order on the National Counterterrorism Center, the NCTC will undertake "all functions assigned to the TTIC." It does seem likely that we would expand in size to handle additional responsibilities laid out in both the Executive Order and in the Commission's report.

Question 14: Will you please identify for the Record the number of intelligence positions within the Terrorist Threat Integration Center (TTIC) and how many of those positions are unfilled?

Response: TTIC owns no positions. All of our employees are slotted by their home agency and "assigned" to TTIC. That said, when TTIC was first created, it was estimated that TTIC would need approximately 300-350 people from across the federal government (largely from the five partner agencies of DoD, DHS, FBI, CIA and State Department). Presently we have 201 assignees. As our mission evolves, we are continuing to evaluate the necessary level of resources. Should we move to the recommendations envisioned by the NCTC, we estimate a need for up to 600 people to perform the analytic function.

Question 15: What is your assessment of how effectively information is being shared by components of the

Intelligence Community and other elements of the U.S. Government today?

Response: Please see the response to questions 5 and 6.

Question 16: What specific actions would you propose to enhance information sharing?

Response: Deployment of TTIC Online to additional customers on SIPRNET and exploration of additional ways to make information available at the unclassified level. Both activities will allow us to increase our user population and ensure that relevant information and analysis is getting to a broader customer base. Our new presence on SIPRNet makes Secret level counterterrorism information available to a wide array of DoD, DHS, law enforcement and Department of State users; this new audience is many times the size of the original user base, and as such, the SIPRNet version of TTIC Online will be of tremendous value to us in moving information outside of the Intelligence Community. In addition, see the comments on reducing barriers to effective information sharing in question 7. In particular, I would highlight the need for a national information sharing architecture that includes federal, state, local, law enforcement, and private sector entities, the importance of which is emphasized in recent Presidential Executive Orders.

Question 17: The Department of Defense (DoD) is currently undertaking a major initiative to transform its business systems and integrate inefficient, stovepiped, and worn information technology assets. According to GAO, DoD faces four major challenges: (1) lack of sustained leadership, (2) cultural resistance to change, (3) lack of meaningful metrics and ongoing monitoring, and (4) inadequate incentives and accountability mechanisms. This integration process has been a huge expense and liability for DoD. In FY04 $19 billion was requested to operate, maintain and modernize these systems. The DoD's system has been identified by GAO as fundamentally flawed and adversely affecting mission effectiveness, while contributing to fraud, waste, and abuse. In seeking to make the changes recommended by the 9/11 Commission, the Joint Commission on Intelligence, and others, how will your agencies confront and clear the hurdles that DoD has faced?

Response: GAO's assessment was based on DoD's initiative to transform its long-standing business systems and integrate inefficient, stovepiped, and worn information technology assets. TTIC, in its short existence of 15 months, has not faced the same challenges identified by GAO. In short, DoD is about reform and transformation while TTIC is about developing an integrated information technology architecture so that sophisticated analytic tools and federated search capabilities can be applied to the many terabytes of data available to the Federal Government. TTIC is about developing a new business model for the intelligence community. Because we are so new, cultural resistance to change is not an issue for us. Sustained leadership is always a challenge for any new organization in the federal government; however, the culture of change inherent in TTIC should survive any change in leadership. Moreover, the establishment of an Information Systems Council to oversee the establishment of an information sharing architecture will provide much needed focus over the long term. With regard to metrics and accountability, TTIC is a strong proponent of metrics and schedules to measure performance and uses a mixture of award fees for contractor performance and incentives for employees to maintain high levels of performance.

Question 18: What are the current obstacles that are preventing the more effective flow of information sharing among the various government agencies working on terrorism?

Response: The greatest challenge is that of disparate information technology systems and non-standardized information technology practices, processes, and procedures, including a plethora of legacy information systems and networks that impede interoperability. This is not to say that there should be a single, integrated database of all terrorism information in the U.S. Government. However, overall guidelines for U.S. Government information technology systems and enforced community-wide standards (metadata tagging, security practices and procedures, etc) could go a long way toward implementing an overall national framework for information sharing. We expect the new Information Systems Council, mandated in the Executive Order on Strengthening the Sharing of Terrorism Information to Protect Americans, to play a key role meeting this challenge. See the answer to question 7 for additional information on overcoming obstacles.

Question 19: Are outdated technologies still holding you back?

Response: No, the challenge is not outdated technology; it is the lack of community-wide standards/requirements for interoperable hardware and software.

Question 20: Are the information barriers more the product of existing structures, management, or overall approach to intelligence?

Response: As mentioned above, the challenge is a combination of disparate information technology systems and non-standardized information technology practices, processes, and procedures, including a plethora of legacy information systems and networks that impede interoperability. See answer to question 18 above.

Question 21: How would the proposed NCTC remedy existing problems?

Response: TTIC has made good progress in clarifying roles and responsibilities and the building of an information-sharing architecture. That work must continue under the newly established NCTC with particular emphasis on establishing:

- An overall Intelligence Community business model framework to ensure comprehensive, robust, and, as appropriate, redundant terrorism analysis capability.

- A national information-sharing framework based on increased clarity of mission roles and responsibilities, with a common understanding of the information requirements of individual U.S. Government components and beyond. This information-sharing framework should extend beyond the Intelligence Community and where appropriate, include linkages to state and local officials and law enforcement; commercial industry; foreign entities; and other non-traditional partners.

- An overall blueprint for information technology systems, including strategic prioritization,

implementation schedules, as well as establishment of a "sunset" list for legacy systems that impede interoperability. The Information Systems Council will facilitate this work.

- Community-wide standards for reporting formats, dissemination requirements, and interoperable hardware and software, with an information technology architecture for role-based data access. Again, the newly established Information Systems Council will facilitate this effort.

Question 22: Would it promote horizontal communication between agencies and branches as well as vertical communication up and down the chain of command?

Response: Yes, provided there was an unambiguous delineation of roles and responsibilities. An effective information-sharing architecture - both horizontal and vertical - must be based on a clear understanding of who has responsibility for analytic "output."

Question 23: What other barriers are present that hamper better intelligence integration, analysis, and communication?

Response: Please see answer to questions 7, 18, and 20.

Question 24: Interoperability has been a watchword since 9/11, Congress has appropriated for improved technologies, agencies tied to TTIC have made efforts to ensure connectivity and interoperability, but what is the current status of connectivity between TTIC and the agencies and departments represented here?

Response: The current status of connectivity between TTIC and other federal agencies and departments is excellent. TTIC has direct access connectivity with 26 separate U.S. Government networks, enabling unprecedented access to terrorism-related information systems and databases spanning the intelligence, law enforcement, homeland security, diplomatic, and military communities. This information access allows for a more comprehensive understanding of terrorist threats to U.S. interests at home and abroad and, most importantly, enables the provision of this information and related analysis to those responsible for detecting, disrupting, deterring, and

defending against terrorist attacks. Connectivity to additional networks is in the planning stages.

Question 25: In his assessment, "The 9/11 Commission Report: Strengths and Weaknesses," Anthony Cordesman of the Center for Strategic and International Studies, writes that "The Commission is correct in talking about the urgency of the threat, but overstates the prospects for solutions. There needs to be far more honesty in saying that many of the improvements the U.S. Government already has underway will not be ready for 3-5 years, and will still leave the U.S. and its allies with significant vulnerabilities." How do you respond to Cordesman's assessment and what can we do to imbue the government with the urgency that drove the Manhattan Project, the race to the moon, and other fundamental efforts?

Response: A key TTIC objective is to develop an integrated information technology architecture so that sophisticated analytic tools and federated search capabilities can be applied to the many terabytes of data available to the Federal Government. We must be able to cross check these different data sets, which are collected by departments and agencies statutorily authorized to do so, in a manner that allows us to identify terrorists and their supporters before they reach our shores or when they emerge within our midst. Simply put, we need to create new knowledge from existing information currently resident in a distributed architecture. Progress has been made toward this end. Our approach, called the "Sanctum Architecture," is expected to reach initial operating capability later this month, allowing analysts to search against data sets resident on separate networks. Over time, the goal for the Sanctum architecture is to expand this capability to enable federated searches across multiple data sets - or rather, one query against the holdings of multiple systems and databases on multiple networks. We, in TTIC, feel the urgency that Cordesman describes, and are pushing for immediate effective solutions to the technical challenges that face us. We are confident that the recently signed Executive Orders will facilitate this work.

Question 26: What is the needed paradigm change and how do we accelerate it?

Response: Establishment of formal guidelines for U.S. Government (USG) information technology systems and

enforced community-wide standards (metadata tagging, security practices and procedures, etc) will go a long way toward implementing an overall national framework for information sharing. However, the larger challenge is that of disparate information technology systems and non-standardized information technology practices, processes, and procedures, including a plethora of legacy information systems and networks that impede interoperability. The mandate provided to the Director NCTC in the recently signed Executive Order on the NCTC to establish an information systems architecture for the effective sharing of terrorism information, as well as the responsibility assigned to the Information Systems Council to plan and oversee the establishment of an interoperable terrorism information sharing environment will help accelerate this much needed change.

Question 27: The Terrorist Threat Integration Center (TTIC) was stood up on May 1, 2003, as directed by President Bush in his State of the Union address as a joint venture to integrate information, expertise, analysis and mission on international terrorism across government agencies. However, critics state that TTIC appears to have a number of problems: limited analytic resources and expertise; few experienced managers of intelligence analysis (particularly with terrorism experience); and lack of a national information sharing architecture. How difficult has it been to attract analysts to come work at TTIC?

Response: Because TTIC does not "own" positions, we rely largely on our partner agencies (DoD, CIA, FBI, DHS and DoS) to identify assignees with relevant expertise for assignment to TTIC. While our partners generally have been supportive of TTIC's need for experienced, qualified analysts, they have similar needs for qualified personnel and have, of necessity, had to balance our needs against their own needs. Currently, our partners have provided us with 188 assignees against an initial requirement of 300-350; however, as our mission evolves, we are identifying a need for additional personnel, which will place additional burdens on our partners.

Question 28: How serious are TTIC's problems, and how long will it take to overcome them?

Response: The obstacles to TTIC's success -- two of which you have cited (adequate personnel resources and a government-wide information sharing architecture) -- are not insurmountable. First, mission redefinition (such as that envisioned by the creation of the NCTC) -- to clearly identify organizational responsibilities for terrorism analysis -- should lead to a reallocation of relevant resources. TTIC believes there are adequate analytic resources available to perform analysis on terrorism issues; however, the existing duplication of effort prevents their effective utilization. Second, with regard to the information architecture issue, TTIC has made great strides to bring together the networks it needs to perform its mission, but it has unearthed many incongruities that exist across the government in regard to true information sharing. There are very promising strategies focused on moving information among the various intelligence stovepipes, but the homeland security issue transcends these traditional boundaries, especially to the non-federal partners, posing some very tough issues. With the recent signing of two new Executive Orders on NCTC and Information Sharing, the NCTC and the Information Systems Council now share the responsibility for a true end - to - end architecture for information sharing.

29. Question: If the 9/11 Commission recommendations were implemented - including the creation of a National Counterterrorism Center as the President has now advocated - building on the foundation of TTIC - how would it succeed where TTIC has failed?

Response: First of all, we do not believe TTIC has failed. Considering that we have only been in existence for 15 months, much has been accomplished. We began operations with approximately fifty U.S. Government staff and have more than tripled in size since then. We have recently relocated from CIA Headquarters to a new facility where we will be joined by large elements of the Director of Central Intelligence's Counterterrorism Center and the FBI's Counterterrorism Division later this summer and fall. Along with very broad access to information, a great strength of TTIC is the fact that we have had analysts from 16 separate organizations carrying out the work of their parent organizations, building bridges between departments and agencies, and enabling us to carry out our mission. TTIC has enjoyed significant success in its primary analytic and reporting function; in the past 15 months we

have produced over 300 Presidential Terrorist Threat Reports for our senior leadership, 400 Terrorist Threat Matrices, 500 Terrorist Situational Summaries as well as scores of unique products dealing with terrorist threat warning and other issues. What the NCTC does offer is the opportunity to further build on the concept of integrated analysis and potentially, to facilitate and coordinate strategic operational planning.

Question 30: The Commission recommended that the NID be placed in the Executive Office, with budgetary authority and the power to hire and fire subordinates in the intelligence chain. The President's proposal places the NID outside the Executive Office, which while it insulates the position from political pressure also limits its influence. The President's version of the National Intelligence Director also falls short of a Cabinet-level post and lacks budgetary authority. What are the pros and cons of the two approaches?

Response: Since this question does not deal with TTIC, we defer to others on questions directly relating to the proposed authorities of a NID.

Question 31: The Secretary for Homeland Security Tom Ridge has recently elevated the terrorism threat level for financial institution buildings in Washington, D.C., New York City and northern New Jersey - and there are continuing concerns about an al Qaeda attack against the U.S. homeland prior to our forthcoming national election. Since 9/11, to what extent has the Intelligence Community placed renewed emphasis on human intelligence (HUMINT), on improving analysis, on cooperation with law enforcement agencies, and on ensuring that real-time intelligence about terrorist activities reaches those who can most effectively counter it?

Response: This question is best deferred to the Deputy Director of CIA for Community Management for a consolidated community response addressing current initiatives for improving analysis and inter-agency cooperation.

Question 32: How prepared are we to deal with a possible al Qa'ida attack against the U.S. homeland within the next four months?

Response: We defer to DHS for a response to this question, as DHS has the statutory responsibility to prepare for terrorist attacks.

Question 33: To what extent, if any, is there room for improvement in our ability to detect, monitor and disrupt terrorist threats to the U.S. - both at home and overseas? Please elaborate.

Response: TTIC does not have any new or independent authority to engage in the collection of intelligence at home or abroad. We defer to CTC and CTD for a response to this question.

Question 34: Does TTIC currently have the analytic resources necessary to perform its mission?

Response: With only a little more than 200 assignees, about three-quarters of whom are analysts, our analytic resources are stretched very thin. Current plans call for TTIC to grow to 300-600 assignees, although this number could well change as the terrorism threat, and our response to it, evolves. We have just completed a personnel requirements document, which defines the skill sets and levels of expertise that we will need to be successful in accomplishing our mission. TTIC's partner departments and agencies are continuing to assess the best approach to meeting these requirements.

Question 35: If not, what additional resources are needed and what efforts are being made to obtain these resources?

Response: TTIC recently informed its partner agencies of existing requirements for personnel. TTIC's partner departments and agencies are now determining the best approach to meet these requirements. One of our greatest personnel challenges is to attract and retain experienced analysts; TTIC will be working with its partner organizations to identify options that enable TTIC to reward and retain top-notch analysts

Question 36: Please describe TTIC's current authority to task agencies within the intelligence community with respect to collection and analysis of intelligence.

Response: TTIC possesses no authority to task Intelligence Community agencies with respect to collection, however we do identify collection gaps on topics of interest and participate in collection boards where requirements are discussed and prioritized.

In addition, TTIC chairs a production planning board comprised of representatives from key counterterrorism agencies where we discuss planned and ongoing analytic products designed to inform and alert the senior-most members of the U.S. Government. The board collectively identifies gaps in knowledge and the chair has the authority to assign analytic tasks.

Question 37: In your judgment, is this authority adequate? If not, what additional authority is needed?

Response: The authority that allows TTIC to integrate and analyze terrorist threat-related information collected domestically and abroad, and then disseminate this information and analysis to appropriate recipients is adequate. The Executive Order on the NCTC builds on TTIC's current authorities to orchestrate analytic products across departments and agencies.

Question 38: At the Committee's April [August] 3 hearing, you expressed concern that the 9/11 Commission recommendations were unworkable in some respects. Please elaborate on that concern.

Response: I have great respect for what the Commission has accomplished; and I believe the Commission has identified a useful framework for change. However, there are a number of details -- not addressed in the report -- that must be addressed before the transformation envisioned by the Commission can become a reality. For example, the Report does not address the technological challenges, the tremendous resources required to affect transformation, and the new national "business model" for how terrorism information will flow to and from the Federal Government. In addition, the Commission has not identified many of the policies, procedures and protocols that must be in place for an NCTC to be effective.

Question 39: In your judgment, are there changes that need to be made to the statutory mandates of any of the agencies in the intelligence community in order to minimize or

eliminate ambiguity, duplication of effort or difficulty in working cooperatively with other agencies? If so, please identify what changes need to be made.

Response: Legislation establishing a NCTC, which clearly articulates roles and responsibilities for this new organization, should minimize ambiguity. Such legislation should also address the roles and responsibilities for other agencies engaged in terrorism analysis.

Post-Hearing Questions for the Record
Submitted to Lieutenant General Patrick M. Hughes
"Assessing America's Counterterrorism Capabilities"
August 3, 2004

NOTE: Unless otherwise stated, all responses are current as of the date of the hearing. These responses were finalized, and are being submitted to Congress, after the departure of Assistant Secretary Hughes from the Department of Homeland Security.

From Senator Daniel K Akaka

Will you please identify for the Record the number of intelligence positions within the Directorate of Information Analysis and Infrastructure Protection and how many of those positions are unfilled?

This answer is classified, as the budget for the Office of Information Analysis is located in the National Foreign Intelligence Program (NFIP). Please refer to the accompanying Secret Level addendum for this answer.

Page 385 of the 9/11 Commission Report states that "new insights into terrorist travel have not yet been integrated into the front lines of border security."

Will you comment on this assessment and on whether you believe a new intelligence structure is needed to facilitate the incorporation of intelligence information into Department of Homeland Security activities?

The 9-11 Commission Report is out of date on this issue. Many details concerning "new insights into terrorist travel" have been "integrated into the front lines of border security." Examples include details of document fraud, missing and stolen passports of recent vintage, identities of persons up to the day they are reported, modus operandi of terrorists, what to look for in suspicious cases, etc. Specific kinds of persons, travel documents, and circumstances, have been provided to Customs and Border Protection (CBP) and ICE (Immigration and Customs Enforcement) officers and to Transportation Security Administration screeners "on the front lines."

The Department does not believe anything new in the intelligence structure for DHS support is needed. We simply need to make the structure we have – work and work right. We are doing that.

The 9/11 Commission Report states that the TTIC "is formally proscribed from having any oversight or operational authority." Yet in a letter responding to an inquiry from Senators Collins and Levin, Secretary Ridge, FBI Director Mueller, former CIA Director Tenet, and you wrote that the TTIC "has the authority to task collection and analysis from Intelligence Community agencies."

It appears that the Administration considers the TTIC to have oversight authority over the intelligence community, while the 9/11 Commission does not.

What authority do you believe is currently vested with the TTIC and why does the 9/11 Commission's assessment of the TTIC's authority differ from the Administration's representation?

Previously, the Terrorist Threat Integration Center (TTIC), the functions of which have now been assumed by the National Counterterrorism Center (NCTC), had the authority to produce IC consolidated threat assessments. Through Executive Order 13354 (August 27, 2004) the NCTC has the express authority to assign counterterrorism related operational responsibilities to lead agencies but not direct the execution of operations.

I am not sure that the 9-11 Commission's view of the former TTIC's authorities and the Administration's views differ.

From Senator Richard Shelby

For some time now, I have advocated for significant change within our intelligence communities. I have even proposed the creation of an NID to oversee all intelligence gathering— someone with total control and total accountability. Today's system is far too disjointed and territorial. I believe 9/11 showed us that we cannot continue down the same path but that we must make significant changes if the nature of the information we are gathering and analyzing is to prove useful in thwarting another terrorist attack.

I believe that we must change the landscape of the intelligence community and that change must occur sooner rather than later. However, I believe we must make certain that the changes we propose will actually accomplish the goals we set forth. Change merely for the sake of change will not accomplish anything. It is essential that we move forward in a steady, thoughtful manner.

The 9/11 Commission carefully investigated the failures of our intelligence community that led to September 11th and made a number of recommendations to address those problems. And while, they did a lot of looking backward in order to, as they put it, look forward, I am not certain how much they considered the changes that the intelligence community' has undergone since 9/11. We have heard a lot about the 5 o'clock briefings and the merging of intelligence data that occurs today that did not occur prior to 9/11.'

Gentlemen, I am interested to learn what changes the community has undergone since 9/11 to address the failings and the criticisms. How would you characterize the flow of information between and within agencies today as opposed to 9/11?

Many changes have occurred in the Intelligence Community (IC) since 9-11. Perhaps the most important and largest change has been the advent of this Department that amalgamates the U.S. Coast Guard, the U. S. Secret Service, CBP, ICE, the Federal Emergency

Management Agency (Emergency Preparedness and Response), the Federal Air Marshal Service, the Federal Protective Service, the Transportation Security Administration, the U.S. Citizenship and Immigration Services, and other organizations, under one structure, including their impressive intelligence organizations. Part of that new structure includes the Information Analysis and Infrastructure Protection (IAIP) element of DHS. The Information Analysis (IA) element of IAIP is a robust, capable, all-source intelligence organization which brings together the various intelligence elements of DHS in a synergistic way. That has proven to be a very valuable change.

More recently, the enactment of the Intelligence Reform and Terrorism Prevention Act of 2004 and the creation of the National Counterterrorism Center changed the face of the IC and the manner in which the Federal Government operates. These changes, and as well as the establishment of such entities as the Homeland Security Council and the Terrorist Screening Center, have improved the flow of information in the post 9-11 period across the board. However, we still face, and will continue to face, challenges. One such challenge is the use of over-classification or overly restrictive handling caveats, when it occurs. We are also working diligently to achieve improved interoperability and ensure systems compatibility. We are making strides in meeting these challenges and will continue to assess issues related to classification and interoperability.

Too often, we look at intelligence and we talk about the need for greater sharing of information. While greater sharing is necessary, it is not enough. I know the community is working towards change, but I don't think we are there yet. To fully realize the benefits of our intelligence gathering, the community must work as a cohesive body with greater integration among agencies and analysts. The fusion of intelligence, and not just the sharing of intelligence, is an important element in this process. The creation of the NCTC will play a critical role in achieving this fusion among the intelligence community, and DHS will be a key player in accomplishing this mission.

As you sit here today, can each of you say that you believe that you have greater access to all of the intelligence that is being gathered than you did prior to 9/11?

Yes. In the case of DHS, we did not exist before 9-11, but access to intelligence for homeland security purposes has greatly improved.

What has been done and what needs to be done to ensure that we continue to break down barriers between agencies and analysts that hinder the fusion of information and analysis?

What has been done is to set policy and practice that allow for tear lines, inter-agency and inter-department communications and similar sorts of change. What needs to be done is to force interoperability and interconnectivity between and among all agencies and departments and open up access to substantive data without compromising sources and methods.

How do we balance the need to protect sources and methods and the need for context and background in analysis?

In order to provide the information everyone needs...while concurrently protecting sources and methods, we need to use the practice of tearline co-production. Whenever we issue a published report a releasable tear line that has the essence of the information but does not compromise any source / method, should be included. Interestingly, this approach is now mandated in several decisions by the Administration including the direct attention given to this requirement in the President's Executive Order signed on 27 August regarding **Strengthening the Sharing of Terrorism Information to Protect Americans**, Section 3. Along with this tearline co-production approach we also need to work toward full sharing at the highest and most restrictive classification levels within the U.S. Government, to avoid the phenomenon of one or two agencies knowing critical detail and insightful facts while others do not have the same information. This problem is one of long-standing nature and requires that all elements of the U.S. intelligence community have the same security standards and the same level of protection for classified information. This also requires that we have some form of common cultural approach throughout the U.S. IC with regard to the sharing of information, including direct electronic connectivity among all elements of the IC. That is also mentioned in the Presidential Executive Order on **Strengthened Management of the Intelligence Community**, Section 2.

Gentleman, how do we set up an apparatus that ensures that the people that need to see all of the information see it?

As discussed in the answer to Q01962, there are two primary components to how we do this. One is technical – requiring direct interoperability among and between Departments and Agencies in the IC. That part of this effort would be relatively easy to accomplish and seems mandated now by Presidential Executive Order, as well as the Intelligence Reform Act. The other feature of this is much harder. That is to break down the pre-existing cultures and biases of the legacy U.S. IC, reflected in policy and procedure that prevented this open sharing in the inter-agency context. That is a feature of leadership, beginning with the President, and in the aftermath of the 9-11 Commission Report and changes that have been made since the 9-11 attacks this is slowly beginning to change. Hopefully that change will now be accelerated.

How can we ensure that the expert not only sees it but sees all of it in the rawest possible form? I have long proposed that there be a National "Fusion" Center to take all the information available and mold it into the final product that helps our nation protect its self. I long believed that the National Counterterrorism Center is a good idea. I thought it was a good idea during the debate on the creation of DHS; I thought it was a good idea when the Intelligence committees released their findings in December of 2002, and I thought it was a good idea throughout my service on the intelligence committee as we continued to see opportunities lost because of a lack of communication and coordination.

The NCTC was mandated by Presidential Executive Order and by the Intelligence Reform and Prevention Act (IRTPA) and on 6 December 2004, the NCTC was established (along with the simultaneous dissolution of TTIC) in accordance with 5(f) of Executive Order 13354. The IRTPA established the NCTC by statue and the provisions will be implemented in the coming months. The Director of National Intelligence (DNI) is now mandated through

legislation. Other "centers" may follow. There will be a tendency to **centralize** to achieve the kind of "fusion" and "synergy" that we all hope for. However, we must also ensure that specialized functions are also leveraged and, where appropriate, retained – for example military and non-military, tactical and strategic, local and national, foreign and domestic, law enforcement and intelligence, and other divisions of labor. We have organized functionally around roles and missions, and attendant to those roles and missions we have built supportive cultures that include both policy and procedure but also include features of organizational identity and esprit d'corps. Much of that is valuable and should not be overlooked as we drive toward information sharing. We should also take into account "need to know," a rule that has survived the test of time. Reconciling all of this in the standing IC is not as hard as it is when you include non-traditional groups like State, local and municipal, major city, tribal group and private sector authorities. We have to work through these challenges.

Is there now a central database where all intelligence can be accessed as was envisioned during the creation of the Department of Homeland Security?

Both under Executive Order 13354 and the Intelligence Reform and Terrorism Prevention Act of 2004, the National Counterterrorism Center (NCTC) will serve as the central and shared knowledge bank on terrorism information. Additionally, the Director of National Intelligence (DNI) will be responsible for maximizing availability and access to "intelligence information" within the intelligence community.

There is no central database where all intelligence can be accessed. I doubt that was ever envisioned. What was envisioned was a capability to access/search all available data on terrorists, associates of terrorists, and those who were in some way connected with terrorism, so that we could check against that data to verify identity and to find those persons of interest we were trying to find. That does not yet exist although progress has been made to consolidate some elements of the numerous legacy databases and to put in place a system of checks that is focused on essentially two locations, the Terrorist Screening Center (TSC), and the Terrorism Threat Integration Center (the functions of which have now been assumed by the National Counterterrorism Center). That has essentially been undertaken although it is not yet complete. In the context of the question, the NCTC will ostensibly hold the primary "authoritative" database with regard to the threat from terrorism and terrorists.

Could each of you detail how the recommendations set forth by the Commission affect your departments/agencies?

The recommendations set forth by the 9-11 Commission affected DHS in substantial ways:

-- Recommendations to improve and enhance border control had a direct effect on our Border & Transportation Security system – notably those that have now been ordered in Presidential decisions.

-- Recommendations about changes in the U.S. intelligence community – especially those that have now resulted in Presidential Executive Orders on Strengthened Management of the Intelligence Community, the creation of the NCTC under Executive Order 13354 and the advent of the legislated NCTC, Strengthening the Sharing of Terrorism Information to Protect Americans, Establishing the President's Board on Safeguarding

American's Civil Liberties, Homeland Security Presidential Directive (HSPD-11) -- Comprehensive Terrorist-Related, Screening Procedures, and other decisions and directives that result from the 9-11 Commission Report and its aftermath.

The changes have been largely achieved by the passage of the Intelligence Reform and Terrorism Prevention Act and the recent Executive Orders. They can generally be characterized as transforming the U.S. Intelligence Community by placing great authority in the hands of the new DNI, including the creation of the NCTC under Executive Order 13354 and the advent of the legislated NCTC and the separating out of numerous duties and functions. The Information Analysis (IA) element of DHS is designated as a functional element of the national intelligence community. We will participate in the NCTC and will come under the purview of the DNI. Thus we are directly affected by not merely the Commission's recommendations but now by the resulting Presidential decisions and enacted legislation.

From Senator Richard J. Durbin

One of the primary lessons drawn by many investigators of the September 11 terrorist attacks was that law enforcement and foreign intelligence information was not shared especially at the level of working analysts. Some statutory barriers to the sharing of information have been removed by the USA Patriot Act and Intelligence Authorization legislation, and TTIC and the Homeland Security intelligence shop were created to enhance information sharing. What is your assessment of how effectively information is being shared by components of the Intelligence Community and other elements of the U.S. Government today? What specific actions would you propose to enhance information sharing?

There have been improvements in information sharing since 9-11 especially between law enforcement and intelligence community entities involved in information sharing. However, there is still much more to do. This information sharing regime is carried out by many communities, including law enforcement, homeland security, and intelligence, and thus by different cultures. We must come to grips with the fact that these cultures are integral to each other's success.

With regard to the sharing of information relating to "other elements of the U.S. Government today," sharing between and among U.S. Government elements is still "circumstantial" and has not yet become systematized. We still receive reports from one or another U.S. Government elements that are incomplete or do not have full details in them owing to either operational considerations or privacy concerns, even though these concerns should not and generally do not apply to information provided to DHS. We receive many reports that are time-delayed for bureaucratic reasons. We receive reports that are often marked ORCON and otherwise restricted from normal dissemination actions. We receive many reports without tearlines that are at a classification level that precludes practical dissemination to our constituents. Thus while we have made considerable progress, we have yet to completely solve these kinds of problems.

I propose that we now comply with the changes that seek to overcome legacy conditions and that leadership support and enforce the "new" approach to information sharing.

The Department of Defense (DoD) is currently undertaking a major initiative to transform its business systems and integrate inefficient, stove piped, and worn information technology assets. According to GAO, DoD faces four major challenges in implementing this system: (1) lack of sustained leadership, (2) cultural resistance to change, (3) lack of meaningful metrics and ongoing monitoring, and (4) inadequate incentives and accountability mechanisms. This integration process has been a huge expense and liability for DoD. In FY'04 $19 billion was requested to operate, maintain, and modernize these systems. The DoD's system has been identified by GAO as fundamentally flawed and adversely affecting mission effectiveness, while contributing to fraud, waste, and abuse. In seeking to make the changes recommended by the 9/11 Commission, the Joint Committees on Intelligence, and others, how will your agencies confront and clear the hurdles that DoD has faced?

DHS will face (has faced…) all of the problems noted in the question. In the case of DHS – and I think in the case of all U.S. Government and U.S. IC organizations – we will have to have strong leadership support from top to bottom in order to make the new directives and orders work.

What are the current obstacles that are preventing the more effective flow of information-sharing among the various government agencies working on terrorism? Are outdated technologies still holding you back? Are information barriers more the product of existing structures, management, or overall approach to intelligence? How would the proposed NCTC remedy existing problems? Would it promote horizontal communication between agencies and branches as well as vertical communication up and down the chains of command? What other barriers are present that hamper better intelligence integration, analysis, and communication?

Outdated technologies that hinder connectivity and interoperability are easier to solve than. policy and cultural challenges, which are a far greater challenge. Now that we have agreed-upon reforms in the structure of the Intelligence Community, the leadership of each organization must be fully supportive of the change.

Interoperability has been a watchword since 9/11, Congress has appropriated money for improved technologies, agencies tied to TTIC have made efforts to ensure connectivity and interoperability, but what is the current status of connectivity between TTIC and the agencies and departments represented here?

I can only answer this question with regard to DHS. We are "interoperable" with the NCTC through ICEmail and NCTC-online. However, there is still much to be done in this area, and we will continue to work both internally and with the NCTC to achieve more robust means of interoperability.

In his assessment, "The 9/11 'Commission Report: Strengths and Weaknesses," Anthony Cordesman of the Center for Strategic and International Studies, writes that "The

Commission is correct in talking about the urgency of the threat, but overstates the prospects for solutions. There needs to be far more honesty in saying that many of the improvements the U.S. government already have underway will not be ready for 3-5 years, and will still leave the US and its allies with significant vulnerabilities." How do you respond to Cordesman's assessment and what can we do to imbue the government with the urgency that drove the Manhattan Project, the race to the moon, and other fundamental efforts? What is the needed paradigm change and how do we accelerate it?

The laws and policies needed are substantially in place, as described in the responses to previous questions in this set. The statutes, executive orders and presidential guidance referenced in the response to Senator Akaka's fourth question have appropriately implemented 9/11 Commission recommendations relating to the Department of Homeland Security. The DHS will continue to provide the leadership and management necessary to implement the laws and policies effectively.

General Hughes, at a Governmental Affairs Committee hearing over two years ago, we discussed the idea of a Manhattan Project for information technology and the fundamental lack of interagency and federal, state, and local communication. At that time, you stated that the problem was not one of technology. You said, "The technology to do the things that you are talking about wanting to do is present and available. It is about parochial interests, managing and constructing the technology for their own purposes, as opposed to the synergistic larger effect of mission support across the government." I have to ask, then. General, what progress have you seen in the last two years to advance that synergistic mission? How do you see the proposals of the 9-11 Commission advancing information sharing?

The 9-11 Commission proposals and the recent Presidential Executive Orders do directly address many of the issues regarding information sharing. However, without fundamental "forced" change I don't think we will achieve the goals. Thus my answer now is the same as it was before: Only with strong central leadership – starting with the President's reform initiatives at the top - driving necessary cultural change we will find ways to achieve full interoperability and full information sharing.

The Commission recommended that the NID be placed in the Executive Office, with budgetary authority and the power to hire and fire subordinates in the intelligence chain. The President's proposal places the NID outside the Executive Office, which while it insulates the position from political pressures also limits its influence. The President's version of the National Intelligence Director also falls short of a Cabinet-level post and lacks budgetary authority. What are the pros and cons of the two approaches?

I supported the President's proposal to keep the DNI out of the Executive Office of the President on the grounds that to include the position there would call into direct question the independence of the DNI and would raise the issue of politicization to an unacceptable level. The Intelligence Reform Act also recognizes this concern and, in addition, addresses the issue of budgetary control for the DNI. President Bush has made a decision for his Presidency at this time and I support him in that decision.

The Secretary for Homeland Security Tom Ridge has recently elevated the terrorism threat level for financial institution buildings in Washington, D.C., New York City and northern New Jersey -- and there are continuing concerns about an al Qaeda attack against the U.S. homeland prior to our forthcoming national election. Since 9/11, to what extent has the Intelligence Community placed renewed emphasis on human intelligence (HUMINT), on improved analysis, on cooperation with law enforcement agencies, and on ensuring that real-time intelligence about terrorist activities reaches those who can most effectively counter it? How prepared are we to deal with a possible al Qaeda attack against the U.S. homeland within the next four months? To what extent, if any, is there room for improvement in our ability to detect, monitor and disrupt terrorist threats to the U.S. -- both at home and overseas? Please elaborate.

The advent of the DHS is the best example I can give of how much better prepared we are now than we were. Because of the many changes that have been wrought by DHS and by other organizations – another great example being the advent of the TTIC under the auspices of the DCI as his statutory capacity as head of the Intelligence Community and now NCTC, under the new Director of National Intelligence – we are certainly more capable. We are now prepared to deal with an al Qa'ida attack. However, I don't think that should be the question. Rather, I would phrase it: How able to prevent an attack are we? My answer is that we are very able and there is no reason for me to accept the premise that an attack is inevitable. Indeed, there is every reason for me to believe that thorough a combination of military and special operations / covert action overseas, good law enforcement and security practice here at home, insightful intelligence interaction throughout, and an infusion of citizen concern and interest, we stand a high chance of interdicting terrorists and their attack plans. I believe we have done just that on several occasions. However, there is some reason to believe that a suicidal terrorist can leave a safe haven now, arrive at the place of attack with no warning, and strike. We may not be able to prevent that sort of act. Thankfully we here in the U.S. have not been plagued by that approach yet. However, that scenario would be manageable compared with the collaborative and conspiratorial approach where a larger number of people would organize and carry out a deliberate attack over a long period of time using a complex method and a weapon with mass effect a'la 9-11. That is far less manageable.

Is there room to improve? Absolutely! We still need a much better sensor regime for finding radiological, chemical and biological signatures. We still need better intelligence collection – notably better human intelligence about the inner workings and the plans and intentions of terrorist groups. We still need to enhance our intelligence collaboration so that we are far less prone to miss not only the connection between the dots but the dots themselves. We still need a better system for detecting the imposter, the false document, the illegal entry and the smuggled contraband. We need a much improved information flow to the State / local / tribal / major city and private sector level. We need an improved response system in the towns and cities of America. We are working on all these things and more. You cannot achieve every goal overnight – thus some improvement and enhancement will take longer to reach an acceptable level than others. The point is that we are in the process, we are doing the work, and we are improving constantly.

From Chairman Susan M. Collins

In your judgment, are there changes that need to be made to the statutory mandates of any of the agencies in the intelligence community in order to minimize or eliminate ambiguity, duplication of effort or difficulty in working cooperatively with other agencies? If so, please identify what changes need to be made.

Yes, there are changes in the statutory mandates of IC agencies. In my view, DHS and the Federal Bureau of Investigation (FBI) should be the Federal Government points of interface and communication with the State / local and private sector. The remainder of the Federal Government should not be much involved unless some exceptional condition occurs – such as the calling up of military forces to act inside the United States. The FBI should have the interface between the Federal Government and law enforcement, and DHS should be responsible for the Homeland Security interface. The two "domestic" agencies should have specified and unchallenged roles and missions in this context. All others should be "supporting."

Post-Hearing Questions for the Record
Submitted to Executive Director Philip Zelikow and Deputy Executive Director Chris Kojm
From Chairman Susan M. Collins

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

1. Please elaborate on the reasons why the Commission chose to include the Defense Intelligence Agency under the authority of the National Intelligence Director. Do you have any concerns that the NID's authority over the DIA or other intelligence assets in the Defense Department could conflict or interfere with the performance of military operations? What recommendations, if any, would you make to ensure that the reform of the intelligence structure does not adversely affect the military?

A1. We now believe the DIA and the service intelligence agencies should be considered departmental intelligence assets and managed under a DOD budget program. We recommended, however, that the deputy NID for defense intelligence should also have management responsibility for these agencies within DOD.

Post-Hearing Questions for the Record
Submitted to Executive Director Philip Zelikow and Deputy Executive Director Chris Kojm
From Senator Richard J. Durbin

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

QUESTIONS FOR PANEL 2:

- I am a member of the Senate Select Committee on Intelligence which recently issued a report detailing problems in analysis and collection regarding intelligence related to Iraq's weapons of mass destruction (WMD) programs prior to the recent Iraq war.

  Specifically how would implementation of the 9/11 Commission recommendations have prevented the problems associated with intelligence related to Iraqi WMD? How would implementation of the Commission recommendations have prevented the September 11 tragedy?

A: We believe strong, effective management of an enterprise at the center of counterterrorism efforts is an enabler – a prerequisite to many specific reforms or innovations.

It is not possible to replay a decade of management decisions and predict what would have been done differently if management had a different conception of powers and duties. Chapter 11 of the report summarized a number of significant deficiencies in agency capabilities and agency management at both the operational and institutional level.

Intelligence Community Inspector General

- Currently, the various components of the Intelligence Community are overseen by inspectors general of their individual home agencies. Wouldn't it make sense to create an office of Inspector General for the Intelligence Community, with its head to be appointed by the President and confirmed by the Senate, and to have oversight jurisdiction over the entire Intelligence Community?

A: The Commission did not take a position on this issue. The CIA already lives in a damaging culture of investigation, not a healthy culture of after-action learning. We saw evidence of this pathology; the only agency whose officials felt they had to hire private lawyers in talking to us, the only agency whose officials – before 9/11 – chronically kept documentary diaries in anticipation of investigations to come.

Congressional oversight – at the level of policy and management – is different. Those

oversight responsibilities must be performed by Congress, not by more IGs.

Public Disclosure of the Aggregate Intelligence Budget

- For some time, individuals have advocated that the aggregate intelligence budget be publicly disclosed -- and that the intelligence budget be broken out into a separate line in the federal budget and placed under the exclusive control of the Director of Central Intelligence (DCI) or a National Intelligence Director (NID). The Commission recommended that "to combat the secrecy and complexity we have described, the overall amounts of money being appropriated for national intelligence and to its component agencies should no longer be kept secret." What are the pros and cons of doing this?

A: The report listed some of the advantages. The disadvantages are claims of harm to national security. We considered those claims. They are sometimes overstated, especially in contrast to the traditions of openness in appropriations for national defense. The Constitution appears to presume that this process will be open. There are several options for protecting the confidentiality of certain special access programs, consistent with the Commission's recommendation.

Congressional Oversight is "Dysfunctional"

- The Commission characterizes intelligence oversight as "dysfunctional". That assessment may actually be overly charitable. If you were to attribute this dysfunction -- particularly as it relates to the counterterrorism threat -- to one primary reason, what would it be?

A: I prefer not to add or amend the arguments offered on this point in the report.

Post-Hearing Questions for the Record
Submitted to Executive Director Philip Zelikow and Deputy Executive Director Chris Kojm
From Senator Frank Lautenberg

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

Questions on Emergency Defense during a Terrorist Attack

We now know that al Qaeda operates with attacks that are likely to be imaginative, coordinated and spread out over a period of minutes or hours.

One component of our counter-terrorism strategy must therefore be to prevent or mitigate follow-on attacks once an initial attack has taken place. Decisions need to be made in a matter of minutes or seconds, likely in response to an event that may not be immediately recognizable as a terrorist attack. However, your report does not address this issue. I would therefore like your responses to several questions along this line of thinking.

- If fighter jets had been scrambled from Otis AFB at 8:19, when American first knew Flight 11 was hijacked, or at 8:25, when Boston center first knew this, those fighters would have arrived in New York in time to intercept and shoot down United 175, had they been such authorization. Instead, these fighters were not scrambled until 8:46. What protocols and procedures need to be in place to reduce the 21-27 minutes it took to make and relay this decision?

A: Rather than micromanage NORAD, TSA, and FAA on matters of such operational detail, we have documented the problems, expecting the agencies to respond. They have. Our lingering concern is that new procedures be tested in operational interagency exercises to form new habits of cooperation and communication.

- According to your report, it took as long as 34 minutes after AA11 hit the World Trade Center North Tower for the FAA Indianapolis Center to learn about it, even though this information was being broadcast live on news networks within 2 minutes. As a result, the Indianapolis Center did not suspect that AA77 might be a hijack until 26 minutes after it lost contact with the flight – 26 minutes that might have saved lives at the Pentagon. What kind of current information should air traffic controllers – and others who may see the first signs of an impending terrorist attack – have to give context to what they are seeing so they can react quickly and effectively?

A: Central command should raise situation awareness throughout the system.

- From your report, it seems that the most complete and accurate picture of the events of 9/11

as they were happening was at the FAA National Command Center in Herndon. The President, Vice President and other key decision-makers had, at best, spotty and delayed information about what was happening, and their orders were not relayed appropriately. How can we expedite and streamline the reporting chain and the chain of command during a terrorist attack or other emergency to ensure that key decision-makers have timely and accurate information and that their orders reach the front lines?

A: See earlier answers. Also, along with other staff, I briefed White House crisis staff on some specific suggestions that involve classified information and issues.

- The response to a military attack involves coordination of services and units that are used to working together, and have likely been trained to respond to the kind of attack they are facing. However, the response to a terrorist attack will include the coordination of agencies that are geographically, jurisdictionally, culturally and functionally diverse. For example, an attack in one city may signal an impending attack in another in a different state or even on a different coast. Everyone from the FAA to the Coast Guard to local fire departments may be involved. What do we need to do to ensure that all of these agencies are able to gain situational awareness and quickly and effectively make and execute joint decisions?

A: In local emergency response, the Commission endorsed an Incident Command System. The same basic concepts apply on the larger scale as well.

- It almost seems from reading your report that had communication between the FAA and the military been better, the improvised defense might almost have worked. For example, when FAA's Boston Center circumvented protocol to call NEADS, this was the most advance warning the military had on any of the four flights. To what extent can a first-response and defense be worked out by communications between low-level supervisors at each agency? How much is it helpful for high-level officials to be involved in an immediate response at all?

A: The strength of a network is to allow communication along the edges of the network, even as those communications are monitored or facilitated by those at the center. But some decisions, such as those involving the use of force, should require careful attention to rules of engagement and procedures for delegation of authority. The Department of Defense has given signficant attention to this issue since 9/11.

- Al Qaeda's attacks are imaginative – an attack is not likely to be something that our first responders and those who are most likely to see the beginnings of an attack have trained for. How can we train or empower those who notice what may be the beginnings of an attack to recognize and report suspicious occurrences? What structures need to be in place to ensure that such information gets quickly to people who can act on it?

In short, when a possible terrorist attack is in progress, the following steps need to happen as

quickly as possible:

- Front-line information needs to reach those with authority to make decisions
- Those decisions need to made speedily
- Orders must be relayed back to the front lines

I have some preliminary thoughts, to which I would appreciate your response.

I suggest that in the event of an unfolding emergency, a crisis command center should exist that can respond in real time to prevent or mitigate follow-on attacks. The center should be capable of coordinating not just a military response, but many other agencies as well. In particular, we need to create structures to ensure that:

- The crisis command center stands ready to receive information and top decision-makers within a matter of minutes.

- Protocols exist for those on the front lines – air traffic controllers, train dispatchers, port officials, and other personnel in government – to circumvent the upward reporting chain and get information directly to the White House and top commanders in the Pentagon.

- Front-line personnel have real-time access to big-picture information, from news reports if necessary, that will allow them to evaluate which information may be crucial to pass up the chain, and to allow them to take preventive measures of their own.

A: Our recommendations are along similar lines to yours. One element omitted from your three requirements is the need to frame issues for decision – to help policymakers identify which decisions they need to make. This was a critical deficiency on 9/11.

Questions on the September 19 Flight of the Bin Ladens

When the Bin Ladens left the country on September 19, 2001, the 9/11 Commission Report makes clear that no real interrogation was conducted on the Bin Laden family. Rather, the report indicates that "interviews" were conducted at the airport by an FBI Agent from the Baltimore Field Office. The Report says that the FBI agent cleared them after passengers claimed that they had "no recent contact with Osama Bin Laden" and "knew nothing about terrorist activity." The passengers were not under oath and they were not interrogated ¬ they were simply interviewed at the airport on their way out of the country.

Law enforcement experts have told my staff that the Bin Ladens could have been held on a material witness warrant and put under oath. Among the questions that could have been asked under oath: do you know where Osama is? Do you know where his safe houses are? Where does he hide his money? Who are his associates?

I want to ask you about the September 19, 2001 flight of the Bin Ladens out of the country,

because the FBI has given conflicting answers about the circumstances of that flight. The 9/11 Commission Report indicates that Bin Laden relatives were "interviewed" by the FBI at the airport.

To try to straighten the record, I would like to ask you a few questions:

- Were the Bin Laden family members interrogated or merely "interviewed"?

- Were the Bin Ladens put under oath for these questions?

- After the murder of 3,000 Americans, do you think that was a sufficient way to question the prime suspect's family?

- The FBI disputes that they cleared these 13 Bin Laden family members to leave the country. Who gave final clearance for this flight to leave?

The 9/11 Commission Report also indicates that "two passengers" on the September 19 flight had, in the late 1990's, been under investigation by the FBI for links to terrorism. The report does not say which passengers they are referencing. The 9/11 Commission report says that two passengers on the September 19th flight out of Boston had been the subjects of preliminary investigations by the FBI for involvement in terrorism. However, the Commission did not name the passengers.

- Was Omar Bin Laden one of those passengers that was previously under investigation? What about Khalil Bin Laden?

- Why would the FBI clear two Bin Laden family members to flee the country so quickly even though they had been under investigation for terrorist activity?

A: The FBI sought to interview persons on this flight to determine whether anyone posed a threat to civil aviation and to determine whether they possessed knowledge relevant to the 9/11 terrorism investigation. According to records we reviewed, the FBI interviewed 19 of the 23 passengers on the Bin Ladin flight, some of them more than once. These interviews took place in a number of locations, including the passengers' homes, in automobiles, and in the airport. Some took place on the telephone. Many of these individuals were interviewed at length. They were questioned, for example, about their personal biographical information; where they lived; which of their relatives lived in the United States and where; what relationship, if any, they had with Usama Bin Ladin; when, if ever, they had seen Usama Bin Ladin; their knowledge of terrorist groups or activity; whether they had ever traveled to Afghanistan or Pakistan; whether they knew any of the 9/11 hijackers; and whether they had any information about the attacks. FBI records of these interviews fill 39 single-spaced pages.

FBI records do not indicate that the Bin Ladins were put under oath for this questioning. Like other law enforcement officers, FBI agents do not routinely place witnesses under oath for questioning. Regardless whether they were put under oath, knowingly making a false statement to an FBI agent is a felony punishable under 18 U.S.C. § 1001.

Many of the Bin Ladin family members were known to the FBI prior to 9/11. They had been investigated by the FBI before 9/11 when Bin Ladin had been placed on the FBI's Most Wanted List. The Bin Ladin family had cooperated with U.S. authorities before 9/11 in investigations of financial issues.

The FBI concluded from its interviews and other screening of the passengers on this flight—including physical searches of the plane and baggage and checks of watchlists--that no one on the flight posed a threat to civil aviation, nor did they have any information useful to the 9/11 investigation. In 2004, the Commission ran the names of all passengers on this flight against the current TIPOFF terrorist watch list. There were no hits. Based on these facts, the Commission judged that the FBI handled the screening of these flights in a professional manner consistent with the many other pressing matters being faced in the weeks after the 9/11 terror attacks.

The flight was cleared to depart by Richard Clarke at the NSC. He told us he approved the departure of the Bin Ladins subject to the FBI being satisfied that they had adequately screened the passengers. Senior FBI officials told us they were consulted by mid-level managers and told those managers the flight could depart so long as the passengers had been identified by FBI agents prior to their departure and screened with the two goals described above in mind. The Commission found that no one at the White House above Clarke's level was involved in the decision.

The Commission report stated that two of the passengers on the Bin Ladin flight had been the subjects of preliminary investigations by the FBI, but both their cases had been closed, in 1999 and March 2001, respectively, because the FBI had uncovered no derogatory information on either person linking them to terrorist activity. Their cases remained closed as of 9/11, were not reopened before they departed the country on this flight, and have not been reopened since. The names of the subjects of FBI investigations are classified, and the Commission did not seek to release the names of these two individuals.

Post-Hearing Questions for the Record
Submitted to Executive Director Philip Zelikow and Deputy Executive Director Chris Kojm
From Senator Richard Shelby

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

Question for Panel 2: National Intelligence Director

Mr. Zelikow, Mr. Kojm, of all the Commission's recommendations, the one with which I most in agreement involves creation of a National Intelligence Director.

As you know, Title 50 of the U.S. Code already stipulates that, as "head" of the intelligence community, the Director of Central Intelligence shall "facilitate the development of an annual budget for intelligence and intelligence-related activities of the United States."

That authority was never realized in practice. The largest consumers of intelligence dollars are Department of Defense agencies, and the Office of the Secretary of Defense has successfully resisted over the years relinquishing control over those agencies' budgets.

Do you believe that the National Security Agency, National Geospatial Intelligence Agency, NRO, and others should be removed from the Defense Department and made independent entities?

How do you envision ensuring that the uniformed services continue to receive the intelligence they need in accord with their war-planning and warfighting priorities? How would a new National Intelligence Director balance legitimate needs of the Defense Department with its need to redirect resources to other theaters.

A: The Commission did not recommend removing those agencies from the Department of Defense. Their budgets, however, would be part of the National Intelligence Program, appropriated to the National Intelligence Director, to whom they would report. They would also continue to report to the Secretary of Defense on the purely departmental aspects of their work (e.g., the Central Security Service function within NSA).

Question for Panel 2: Foreign versus domestic intelligence gathering

Since the events of 9-11, the country has undergone a very profound debate regarding the balance between security and civil liberties.

We all agree that the failure of disparate agencies to share information was one of the main reasons for the success of the terrorist attacks. We don't all agree, however, on when the line between protecting civil liberties and ensuring for the public's security has been definitively crossed. Prohibitions against the CIA's involvement in domestic intelligence-sharing and the military's

involvement in law enforcement both stemmed from legitimate concerns about possible infringements of rights.

Given the Commission's recommendations regarding the National Counter-terrorism Center and the need to further integrate domestic investigative and foreign intelligence gathering agencies, what guidelines would you provide to ensure the preservation of civil liberties?

A: The Commission addressed the need to strengthen civil liberties protections in chapter 12, pp. 393-395 of the report.

Question for Panel 2: Posse Comitatus Act

Following from my previous question regarding civil liberties, I'd like to address the issue of the military's involvement in domestic law enforcement and related activities.

The Posse Comitatus Act precludes the military's use for most domestic law enforcement missions. Clearly, it has allowed for the use of the military in counter-drug and border enforcement activities, as well as with protecting against and responding to the use of weapons of mass destruction. Similarly, the establishment of Northern Command has further blurred the distinction between foreign and domestic security.

What kind of guidelines or parameters do you envision to ensure the line between proper and inappropriate use of the military in domestic affairs is maintained?

A: Although we were open to well defined uses of the military in homeland security, we shared your concern about blurry definitions. That is why we specifically recommended further clarification of the roles and missions of the Department of Homeland Security and Department of Defense in defending the American homeland (pp. 427-428).

Post-Hearing Questions for the Record
Submitted to Executive Director Philip Zelikow and Deputy Executive Director Chris Kojm
From Senator Carl Levin

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

Goldwater-Nichols Model

1. You cited the Goldwater-Nichols Act of 1986 as a source of inspiration - a model - for several of the Commission's recommendations. The Goldwater-Nichols Act, however, dealt only with the reorganization of one department - the Department of Defense.

The Commission recommends the establishment of a National Intelligence Director who would submit a unified budget for national intelligence; receive an appropriation for national intelligence and apportion the funds to the appropriate agencies, in line with the budget; and have authority to reprogram funds among the national intelligence agencies.

Can you cite any examples where the head of one executive branch entity has had this authority over the budget and activities of other agencies?

A1: The National Security Act of 1947 created the initial position of Secretary of Defense in just such a way. Then the Secretary headed a National Military Establishment, a loose confederation of three executive departments – each with cabinet status – as well as other agencies and boards. The Department of Defense was created later, in 1949. Even then the downgraded military departments retained considerable independence and their own chains of command over fielded military forces. The system we know today is the product of further reforms based on experience, especially those adopted in 1958 and 1986.

Other particular illustrations may be of interest to the Committee. They include the structures that transcend the Energy and Defense Departments for managing certain nuclear procurements and operations. There are also joint enterprises like the National Drug Intelligence Center, which involves both the DCI and the Attorney General. The initial years of the National Reconnaissance Office also utilized some novel designs for federal executive management, involving the CIA, the Air Force, and the Navy.

2. The Commission recommends that the National Intelligence Director approve and submit nominations to the president of the individuals who would lead the CIA, DIA, FBI Intelligence Office, NSA, NGA, NRO, IAIP Directorate of the Department of Homeland Security, and other national intelligence capabilities.

a) Can you cite examples where the head of one executive branch entity has had that authority over who should be the head of agencies within other departments?

A2a). See A1.

b) The Goldwater-Nichols Act was designed to improve unity of command. Wouldn't the Commission's proposals relating to the National Intelligence Director produce a situation in which the intelligence agency heads would have two separate chains of command, one within the department within which they are located and the other outside that department?

A2(b). The unity of command under Goldwater-Nichols occurs in a matrix organization structure with dual lines of authority for many military units, one line leading to a military department and another line leading to a unified or specified command. Both lines culminate with the Secretary of Defense. To make matters still more interesting, the Joint Staff is not a direct link in either of those chains of command, yet influences both. Thus the term "unity of command" ties a pleasing ribbon around a very complex yet effective command and planning system.

The situation described in Q2(b) is the status quo. Much of the Intelligence Community already labors with multiple lines of authority. In theory, the directors of national agencies such as NSA already answer both to the DCI and to the Secretary of Defense. But now the conflicting authorities are not effectively reconciled. National guidance is weak. The Commission sought to recalibrate the balance to favor national priorities. The Commission also sought to clarify the authorities of the relevant players.

c) Would such a situation be consistent with unity of command?

A2(c). Yes.

3. The Commission recommends the establishment of a National Counterterrorism Center, whose Director would be the President's principal adviser on counterterrorism intelligence and joint operations, and having a Directorate of Intelligence (J-2) to do the integration and analysis of foreign and domestic intelligence, and a Directorate of Operations (J-3) to do the planning and assignment of operational responsibilities to lead agencies such as the State Department, the CIA, the FBI, and the Defense Department and its combatant commands.

a) Can you cite examples where the head of one executive branch entity has the authority to assign operational responsibilities to lead agencies outside of its own agency, including to military combatant commands in the Defense Department?

A3(a). The Commission is suggesting an innovative approach to think about federal executive management, for the reasons suggested in the report as well as in my August 3 testimony.

There are some particular precedents, as when Congress or the President have designated an executive agent to perform functions across multiple agencies, or when the President has designated an agency to manage an interdepartmental effort, delegating authority to assign jobs and monitor implementation, as President Clinton did in the initial creation of Plan Colombia. But we recognize that the NCTC would be a major innovation in the way the federal government thinks about the horizontal management challenge, prompted by the extraordinary breadth and difficulty in managing counterterrorism work across the foreign and domestic agencies of the government.

b) How would granting this authority to the NCTC affect the military chain of command from the combatant commanders to the President through the Secretary of Defense?

A3(b). Such a grant need not interfere with the military chain of command. The combatant commands have some relevant experience from working with the Joint Staff and its directorate of operations (the J-3), an entity that also is not in the chain of command.

c) Would the director of the NCTC need approval of the National Intelligence Director and the President before making such assignments?

A3(c). The Director of the NCTC would receive policy guidance from the President, the National Security Council, and the National Intelligence Director. They will face the usual choices in judging what particular day-to-day implementation decisions they wish to oversee or review. Executive departments can decline to direct the execution of assignments, which would oblige the NCTC to accede or bring the issue to the President, the National Security Council, or the National Intelligence Director as appropriate.

d) Where would the limits of the NCTC's authority lie? Would its authorities include, for example, tasking a combatant commander to use military force to achieve a counterterrorism objective such as capturing or killing a terrorist suspect in another country?

A3(d). It would not have such authority, any more than the J-3 has such authority in other military matters. The decision on whether to use force in a foreign country is a policy decision reserved to the President and the National Security Council, communicating guidance to the Secretary of Defense or perhaps, in a Title 50 matter, to the National Intelligence Director. The NCTC would provide joint planning to facilitate such operations and monitor their progress.

e) As a matter of improved congressional oversight, should the NCTC be required to provide prior notification to Congress before taking such an action?

A3(e). N/A

NCTC budget and personnel influence

4. Please explain in detail how the NCTC would "be able to influence the leadership and the budgets of the counterterrorism operating arms of the CIA, the FBI, and the departments of Defense and Homeland Security," as stated in the Commission's Executive Summary. Is this the personnel concurrence authority the Commission report says the NCTC "must" have over the choices of the leaders of the CTC, the FBI's CT Division, the Commander of US Special Operations Command, the Commander of US Northern Command, and the State Department's coordinator for counterterrorism? Would this authority amount to a veto over such choices?

a) How does the Commission envision NCTC working to help develop the budgets of these counterterrorist organizations, and how would this budget formulation activity relate to the proposal that the National Intelligence Director formulate and manage the budget for the national elements of the Intelligence Community?

A4 and 4(a). Pursuant to policies set by the President and the National Security Council, the Director should assist the President and the National Intelligence Director in providing unified strategic direction for civilian and military counterterrorism efforts and the effective integration of intelligence and operations across agency boundaries, inside and outside of the United States.

The Director should advise the President and the National Intelligence Director on the extent to which the counterterrorism program recommendations and budget proposals of the departments and agencies of the U.S. government conform to the priorities established by the President and the National Security Council.

The Director of the NCTC should advise the National Intelligence Director and have the right to concur in the departmental selection or recommendation for presidential appointment of the principal counterterrorism operating officers of the major executive departments and agencies.

Paramilitary Operations

5. The Commission recommends that lead responsibility for directing and executing paramilitary operations, whether clandestine or covert, should shift to the Defense Department.

a) Would this involve the participation of U.S. military personnel in the conduct of covert operations pursuant to a Presidential finding, which could include activities that are inconsistent with international law, such as the Geneva Conventions?

A5(a). All U.S. military and paramilitary activity is governed by the international law of armed conflict, whether covert, clandestine, or overt.

b) What is the rationale for this proposal?

A5(b). The unclassified rationale for this recommendation is summarized on pp. 415-416 of the Commission report. The most significant effort assault plan to capture Bin Ladin before 9/11 was planned by the CIA outside of military channels. It was not regarded as sufficiently credible by national policymakers and, partly for this reason, no action was taken (see pp. 111-115).

Beyond the material in the report, this recommendation was significantly influenced by the Commission's appraisal of several current issues that involve classified information and judgments, including information obtained in Afghanistan and Pakistan.

c) If the transfer were made, would it be appropriate for Presidential findings for covert actions to be provided to the Armed Services Committees in lieu of or in addition to the Intelligence Committees?

Alleged Atta meeting with al Ani in Prague

6. Relative to reports of contacts between Iraq and al Qaeda, the 9/11 Commission report states on page 66 that "we have seen no evidence that these or earlier contacts ever developed into a collaborative operational relationship. Nor have we seen evidence indicating that Iraq cooperated with al Qaeda in developing or carrying out any attacks against the United States."

One of the suggested links between Iraq and al Qaeda was a report of a meeting between Mohamed Atta and Iraqi intelligence officer al Ani in Prague in April 2001. The 9/11 Commission report states that "the available evidence does not support the original Czech report of an Atta-Ani meeting." It also cites numerous reports by the CIA, FBI, and others dating back to January 2002 calling the reporting of the alleged meeting into question.

b) According to your investigation, at what point did the CIA adopt the view that the alleged meeting likely did not occur?

c) Are you aware whether the CIA provided this view to Vice President Cheney? If so, when did they provide their view to the Vice President?

d) Did you or the Commissioners ask the Vice President what the basis was for his public comments about the alleged Atta-al Ani meeting in Prague? If so, what was his response?

A6. We did not investigate these issues.

Need to obtain independent, objective intelligence

7. Did you or the Commissioners consider the many examples prior to the Iraq war, and as far back as Vietnam, where intelligence was apparently shaped to support policy?

a) Did you or the Commissioners take into account the need to obtain objective and independent intelligence when the Commission made its recommendations, particularly with respect to the creation of a National Intelligence Director and its placement within the Executive Office of the President?

b) Did you or the Commissioners ask President Bush what was the basis of his public statements on the relationship between Iraq and al Qaeda, in light of the CIA assessments relative to that subject?

A7. Putting to one side the historical statements embedded in the question, we did consider the past. Along with Ernest May, I helped direct Harvard University's program on Intelligence and Policy for several years, and supervised preparation of several of the case studies developed for that program. Both May and I have published various works dealing with this topic, directly and indirectly. We have also examined comparative practice in other countries, such as the UK's Joint Intelligence Committee.

With respect to Q7(b), none of the commissioners asked President Bush about his past public statements about Iraq. I took notes during the meeting and did not address any questions to the President.

Al-Libi and training information

8. In a footnote in the 9/11 Commission report (page 470, footnote 76), the Commission refers to an al Qaeda operative (al Libi) recanting much of his allegation that Iraq had provided training to al Qaeda in chemical and biological weapons.

a) When did the al Qaeda operative (al Libi) recant the statement he had made regarding Iraq providing chemical and biological training to al Qaeda?

A8(a). The note cited the date of the intelligence report relied upon for the Commission's statement (Feb. 14, 2004).

b) In DCI Tenet's classified testimony of September 17, 2002 to the Senate Select Committee on Intelligence, he stated that details of Iraq providing training to al Qaeda were "from sources of varying reliability." Yet on February 11, 2003, DCI Tenet gave public testimony that Iraq "has provided training in poisons and gasses to two al-Qaida associates," and characterized the information as coming from "credible and reliable sources." Did you or the Commissioners ask DCI Tenet why he left out the caveat about "sources of varying reliability" in his public testimony, or why he contradicted his classified testimony on source reliability?

A8(b). No.

c) Did the Commission consider the shaping of DCI Tenet's public statement (leaving out the caveat about sources of varying reliability), which supported similar statements by senior policy-makers on Iraq providing chemical and biological weapons training to al Qaeda, as an additional example of the need to structure the Intelligence Community in a way that produces objective and independent intelligence reports and assessments?

A8(c). The Commission had received and studied the Senate Intelligence Committee's report on intelligence assessments of Iraqi WMD.

NID outside of EOP

9. In response to the Commission's recommendation to create a National Intelligence Director (NID), the President called on Congress to establish the position of National Intelligence Director outside the Executive Office of the President (EOP), subject to Senate confirmation but without control over intelligence budgets or selection of senior personnel. Given the crucial importance of intelligence analysis being as independent and objective as possible, would not having a National Intelligence Director outside the White House help encourage such independence and objectivity?

A9. The Commission no longer argues for placement of this position in the Executive Office of the President. It is important to note, though, that the danger you mention arises from the function and relationship with the President that go with the job, whatever the holder's bureaucratic placement. In any case, and

whatever the relationship to the White House, the President is best served by assessments that are honest, dispassionate, and relevant.

Senate confirmation and improved congressional oversight

10. Among the recommendations in the Commission's report are: that the National Intelligence Director and the Director of the National Counterterrorism Center both be subject to Senate confirmation. Given that the Commission called for improved congressional oversight of intelligence, do you agree that having these two positions subject to Senate confirmation, and that these officials be required to testify before Congress, would be essential in helping Congress perform its oversight role?

A10. Yes.

a) Isn't executive privilege more likely to be asserted or suggested if the National Intelligence Director were in the Executive Office of the President, therefore making congressional oversight more difficult and frustrated more often, than if the National Intelligence Director were outside the EOP?

A10(a). Mindful of the OMB precedent, we did not think so. But, on the EOP placement, see A9.

Terrorist intelligence information available to Congress

11. The Commission calls on Congress to improve its oversight of intelligence. If we are to improve congressional oversight of our intelligence system and performance, it seems that Congress should have access to the fullest range of intelligence information and finished intelligence products. Do you agree that if Congress is going to improve its oversight of our intelligence, and if we are going to encourage independent and objective intelligence, Congress should receive the intelligence analyses and reports of the proposed National Counterterrorist Center at the same time they are sent to the National Intelligence Director?

A11. The Commission did not address the issue of whether Congress should receive the terrorism-related intelligence reports that are given to the National Intelligence Director. My personal view is that it depends on the nature and purpose of the report.

Responses of the Federal Bureau of Investigation Based Upon the August 3, 2004 Hearing Before the Senate Committee on Governmental Affairs Regarding "Assessing America's Counterterrorism Capabilities"

Questions Posed by Senator Collins

1. In your judgment, are there changes that need to be made to the statutory mandates of any of the agencies in the intelligence community in order to minimize or eliminate ambiguity, duplication of effort of difficulty in working cooperatively with other agencies? If so, please identify what changes need to be made.

Response:

At this time, the FBI is not aware of any statutory mandates of any agency that need to be changed.

Questions Posed by Senator Shelby

For some time now, I have advocated for significant change within our intelligence communities. I have even proposed the creation of an NID to oversee all intelligence gathering - someone with total control and total accountability. Today's system is far too disjointed and territorial. I believe 9/11 showed us that we cannot continue down the same path but that we must make significant changes if the nature of the information we are gathering and analyzing is to prove useful in thwarting another terrorist attack.

I believe that we must change the landscape of the intelligence community and that change must occur sooner rather than later. However, I believe we must make certain that the changes we propose will actually accomplish the goals we set forth. Change merely for the sake of change will not accomplish anything. It is essential that we move forward in a steady, thoughtful manner.

The 9/11 Commission carefully investigated the failures of our intelligence community that led to September 11th and made a number of recommendations to address those problems. And while, they did a lot of looking backward in order to, as they put it, look forward, I am not certain how much they considered the changes that the intelligence community has undergone since 9/11. We have heard a lot about the 5 o'clock briefings and the merging of intelligence data that occurs today that did not occur prior to 9/11.

2. Gentlemen, I am interested to learn what changes the community has undergone since 9/11 to address the failings and the criticisms. How would you characterize the flow of information between and within agencies today as opposed to 9/11?

Response:

Significant changes since 9/11/01 have enhanced the flow of information between United States Intelligence Community (USIC) agencies. Among these was passage of the USA PATRIOT Act, which provided the nation's law enforcement and intelligence personnel with enhanced and vital tools to bring terrorists and other dangerous criminals to justice, and eliminated legal restraints that had impaired law enforcement's ability to gather, analyze, and share critical terrorism-related information. The Act also enhanced America's criminal laws against terrorism, and in some cases increased the penalties for planning and participating in terrorist attacks and for aiding terrorists. The Act also clarified that existing laws against terrorism apply to the types of attacks planned by al Qaeda and other international terrorist organizations. Another significant factor was the guidance provided by Executive Order 13356 (8/27/04), in which the President directed that information systems be designed and used to: 1) maximize our ability to detect, prevent, disrupt, preempt, and mitigate the effects of terrorist activities; share terrorism information among agencies and between agencies and State and local governments; and protect the ability of agencies to acquire information, while 2) protecting the freedom, information privacy, and other legal rights of Americans.

Understanding that it cannot defeat terrorism without strong partnerships, the FBI initiated Joint Terrorism Task Forces (JTTFs) in order to effectively partner FBI personnel with hundreds of investigators from various federal, state, and local agencies, including members of the Intelligence Community. The FBI has expanded the number of JTTFs to 100, increased technological connectivity with our partners, and implemented new ways of sharing information through vehicles such as the FBI Intelligence Bulletin, the FBI National Alert System, the Interagency Alert System, and the Terrorist Screening Center (TSC). To improve coordination with other federal agencies and members of the USIC, the FBI joined with its federal partners to establish the Terrorist Threat Integration Center (TTIC) (which was subsumed into the National Counterterrorism Center (NCTC) pursuant to Section 1092 of the Intelligence Reform and Terrorism Prevention Act of 2004), exchanging personnel, instituting joint briefings, and using secure networks to share information. The FBI also continues to enhance its relationships with foreign governments by building on the overseas expansion of our Legal Attaché program, offering investigative and forensic support, and training and working together on task forces and joint operations. The FBI has also expanded outreach to minority communities and improved coordination with private businesses involved in critical infrastructure and finance.

Too often, we look at intelligence and we talk about the need for greater sharing of information. While greater sharing is necessary, it is not enough. I know the community is working towards change, but I don't think we are there yet. To fully realize the benefits of our intelligence garnering, the community must work as a cohesive body with greater integration among agencies and analysts. We must look as many people have said at the fusion of intelligence not just the sharing of information.

3. As you sit here today, can each of you say that you believe that you have greater access to all of the intelligence that is being gathered than you did prior to 9/11?

Response:

Yes. The FBI has significantly greater access to intelligence gathered by others, in large part through its sponsorship or participation in JTTFs, the NCTC, and other joint enterprises. In addition, as indicated in response to Question 2, above, the FBI has used its relationships with its law enforcement and intelligence partners, its improved technology, and the recently established joint enterprises to improve the timeliness and extent of its information sharing with others. Among other things, Director Mueller elevated intelligence to program-level status, putting in place a formal structure and Concept of Operations to govern FBI-wide intelligence functions, and establishing Field Intelligence Groups (FIGs) in every field office. The FIGs conduct analysis, direct the collection of information to fill identified intelligence gaps, and ensure that intelligence is disseminated horizontally and vertically to internal and external customers, including state, local, and tribal law enforcement partners.

4. What has been done and what needs to be done to ensure that we continue to break down barriers between agencies and analysts that hinder the fusion of information and analysis?

Response:

The FBI has a responsibility to the nation, to the USIC, and to federal, state, and local law enforcement to ensure that the dissemination of information is thorough and timely, and it is the personal responsibility of the Executive Assistant Director (EAD) for Intelligence to ensure that this occurs. Sharing FBI information is the rule, unless legal or procedural impediments prohibit it. Consequently, the FBI has taken steps to establish unified FBI-wide policies for sharing information and intelligence both within the FBI and outside it, and these policies include the preparation of information releases initially at the lowest level of classification.

The FBI shares intelligence with members of the USIC through various means, including the use of websites on classified USIC networks, the direct

dissemination of classified and unclassified information (both raw information and finished intelligence products (such as Intelligence Information Reports (IIRs), Intelligence Assessments, and Intelligence Bulletins), and the availability of FBI information to joint enterprises, such as the JTTFs, TSC, and NCTC. The JTTFs partner FBI personnel with investigators from federal, state, and local agencies, and are important force multipliers in the fight against terrorism. As indicated in response to Question 2, above, the FBI has increased the number of JTTFs from 34 to 100 nationwide since 9/11/01. The FBI also established the National Joint Terrorism Task Force (NJTTF) at FBI Headquarters (FBIHQ), staffed by representatives from 38 federal, state, and local agencies. The mission of the NJTTF is to enhance communication, coordination, and cooperation by acting as the hub of support for the JTTFs throughout the United States, providing a point of fusion for intelligence acquired in support of counterterrorism (CT) operations. The FBI will continue to create new avenues of communication within the law enforcement and intelligence communities to better fight the terrorist threat.

The NCTC provides a robust channel for sharing information by offering direct electronic access to classified and unclassified internal FBI investigative and operational databases, with narrow exceptions for certain types of sensitive domestic criminal cases unrelated to terrorism. The NCTC also has direct electronic access to internal FBIHQ Division websites and the FBI's classified intranet system. Both FBI and non-FBI personnel assigned to the NCTC have access to this information. This information sharing is critical to the NCTC's ability to fully integrate terrorist threat information and analysis in order to form the most comprehensive threat picture possible.

The FBI is committed to making available to our intelligence and law enforcement partners the tools that will assist them in intelligence-led policing, including the National Crime Information Center (NCIC), the Integrated Automated Fingerprint Identification System (IAFIS), the Interstate Identification Index (III), and Law Enforcement Online (LEO), which is a virtual private network that reaches federal, state, and local law enforcement officials, including local patrol officers and others who have direct daily contacts with the general public. LEO makes available to these users, at the Sensitive But Unclassified (SBU) level, finished FBI intelligence products, including intelligence assessments resulting from the analysis of criminal, cyber, and terrorism intelligence, Intelligence Bulletins which disseminate finished intelligence on significant developments or trends, and IIRs. The FBI also recently posted the "requirements" document on LEO, which provided to our state and local law enforcement partners a shared view of the terrorist threat and the information needed in priority areas. LEO's utility is further enhanced by its secure connectivity to the Regional Information Sharing Systems network (RISS net) and the Department of Homeland Security (DHS) Joint Regional Information

Exchange System. There are currently nearly 30,000 LEO users, including more than 14,000 state and local law enforcement members and 60 federal agencies.

Although the dissemination of raw FBI information by TTIC requires FBI approval, TTIC may share finished FBI intelligence products by posting them on the TTIC Online (TTOL) website via Intelink-TS (Top Secret). The TTOL website contains security safeguards, providing access only to USIC users who have a need-to-know sensitive classified intelligence regarding international terrorism. The FBI also authorizes the National Counterintelligence Executive to share FBI counterintelligence products on the Intelink-CI website, with similar safeguards and access only by users who have a need-to-know the information.

Also critical to the FBI's information sharing responsibility are the FIGs, discussed in response to Question 3, above, which manage and execute the FBI's intelligence functions in the field. FIG personnel have access to TS information and Sensitive Compartmented Information (SCI), so they are able to review and analyze this information and recommend sharing it within the FBI and with our USIC and law enforcement customers and partners.

In coordination with other federal, state, and local law enforcement agencies, the FBI plans to develop the National Data Exchange (NDEx) as a repository of national indices and a pointer system for federal, state, local, and inter-governmental law enforcement entities. The NDEx will also be a fusion point for the correlation of nationally based criminal justice information with certain national security data.

The following groups and joint activities also contribute greatly to ensuring complete and timely information sharing.

- In response to the determination of the International Association of Chiefs of Police that a collaborative intelligence sharing plan must be created to address the inadequacies of the intelligence process, the Global Justice Information Sharing Initiative, which is a Federal Advisory Committee to the U.S. Attorney General, formed the Global Intelligence Working Group (GIWG). The GIWG is comprised of experts and leaders from federal, state, and local law enforcement, including the FBI. Their efforts resulted in creation of the National Criminal Intelligence Sharing Plan.

- The Justice Intelligence Coordinating Council, created in February 2004 by the Attorney General and chaired by the FBI's EAD for Intelligence, is comprised of the heads of Department of Justice (DOJ) components with intelligence responsibilities. The Council works to improve information sharing within DOJ, and ensures that DOJ meets the intelligence needs of outside customers and acts in accordance with intelligence priorities. The

Council will also identify common challenges (such as electronic connectivity, collaborative analytic tools, and intelligence skills training) and establish policies and programs to address them.

- The FBI's Information Sharing Policy Group, comprised of EADs, Assistant Directors, and other senior executive managers, was formed in February 2004 to establish the FBI's information and intelligence sharing policies.

- The Intelligence Community Chief Information Officer (CIO) Executive Council recommends and develops technical requirements, policies, and procedures, and coordinates initiatives to improve the interoperability of information technology (IT) systems within the USIC to increase the speed and ease of information sharing and collaboration. The FBI's CIO sits on this Council to ensure that the FBI's IT team works closely with DHS and other USIC agencies to enhance the interoperability of the various information systems. The FBI CIO is also working with DOJ on interfaces between the Intelligence Community System for Information Sharing (ICSIS) and the Law Enforcement Information Sharing (LEIS) initiative to increase the sharing of intelligence-related information with state and local officials.

- The FBI details FBI employees to other agencies, and receives detailees from them, to ensure that we are both aware of and responsive to those agencies' concerns. For example, intelligence analysts from other agencies work in key positions throughout the FBI; the Associate Deputy Assistant Director for Operations in the FBI's Counterterrorism Division (CTD) is a Central Intelligence Agency (CIA) detailee; and the TSC Director is a DHS employee, while the three TSC Deputy Directors come from DHS, the FBI, and the Department of State (DOS).

5. How do we balance the need to protect sources and methods and the need for context and background in analysis?

Response:

Consistent with the protection of sensitive sources and methods and the protection of privacy rights, we must share as a rule, and withhold by exception. The FBI has assigned a Special Agent or Intelligence Analyst to each JTTF for the purpose of producing "raw" intelligence reports for the entire national security community, including state, municipal, and tribal law enforcement partners and other JTTF members. These reports officers are trained to produce intelligence reports that

both protect sources and methods and maximize the amount of information that can be shared. FBI policy is to separate the information from the source, but always to describe the "pedigree" of the source and the source's access to the information contained in the report.

6. Gentlem[e]n, how do we set up an apparatus that ensures that the people that need to see all of the information see it?

Response:

The FBI ensures that information is made available to those who need to see it by clearly understanding user needs and what means of information delivery will best aid their decision-making process. With an understanding of what information is needed, the FBI can share information at the earliest point of usefulness to the consumer consistent with legal and practical constraints. With an understanding of the information dissemination vehicle that will best serve the user, the FBI can identify the data standards that will permit searches across all appropriate databases.

Because a thorough exchange of information can occur only if the technology is in place to support it, the FBI has taken numerous steps to permit this free exchange of information and to enhance the IT links between members of the USIC.

The FBI is connected to the rest of the USIC at the Top Secret Sensitive Compartmented Information (SCI) level via the new SCI Operational Network (SCION). The SCION project was initiated in September, 2001, and has met all schedule, budget, and performance requirements. SCION, which is the business tool used by the FBI's Office of Intelligence, Counterterrorism Division, Counter-intelligence Division, and others for classified communications, permits more efficient and effective operations by connecting to the USIC's Intelink system via the Metropolitan Area Network and the Joint Worldwide Intelligence Communications System. This enables the FBI to contribute to Intelligence Assessments, Intelligence Information Reports (IIRs), and the President's Terrorist Threat Report, and to access Intelink, TTOL, the National Intelligence Council's Collaborative Environment, and other information sources.

SCION is currently available to over 1,000 users at FBI Headquarters (FBIHQ). The FBI has initiated a pilot project whereby SCION will be deployed to the FBI's Field Offices in New York, Boston, and Kansas City, with plans to deliver SCION to all FBI Field Offices as funding becomes available. Currently, limited access to Intelink is available in Field Offices through the FBI's Intelligence Information System Network (IISNET). While in most Field Offices there are two IISNET workstations with connections to FBIHQ, these are difficult to use and are housed

in small SCI Facilities (SCIFs) that are not located near the IISNET users. An impediment to field expansion of SCION is the current lack of SCIF space for Field Intelligence Group and Joint Terrorism Task Force personnel, who are the most likely users.

Access to the intelligence and homeland security communities at the Secret level is provided via the DOD Secret Internet Protocol Router Network (SIPRNET), which provides the communications backbone for Intelink-Secret. The Anti-Drug Network rides the SIPRNET communications backbone and provides terminals and access as a vehicle for the domestic exchange of intelligence on anti-drug efforts. SIPRNET is also used to support the Terrorist Explosive Device Analysis Center, the National Virtual Translation Center, and the Foreign Terrorist Tracking Task Force. While currently there is no direct access to external networks from the FBI's internal network, and only limited batch transactions through secure guards are possible, the FBI's goal is to provide SIPRNET/Intelink-Secret access to all FBI workstations through secure dynamic virtual private networks in the future.

The FBI has just begun implementation of its new FBI Automated Messaging System (FAMS), which is based on the Defense Messaging System (DMS), for the secure dissemination of electronic messages to other agencies. When fully implemented, FAMS will provide on-line message creation, review, and search capabilities for all FBI employees who have access to the FBI's internal network, SCION, or IISNET, giving these users send/receive ability for any of the 40,000+ addresses on DMS or the Automated Digital Network (AUTODIN). Within the government, DMS will replace AUTODIN and a diverse array of e-mail systems currently in use throughout DOD and the USIC. In its final form, DMS will become the government's global secure e-mail system, permitting the use of multi-media attachments, providing interoperability among various commercially available software products, and affording secure connections between more than 2 million civilian and military users.

The FBI is currently deploying the classified (Secret) version of FAMS, which uses DMS and secure Outlook-like e-mail for organizational messages, so FBI analysts and reports officers can exchange timely intelligence with other agencies in near real time. The FBI is also working on a digital production capability for IIRs using extended markup language (XML) that will interface with FAMS and support on-line digital production of intelligence reports. The FBI is applying XML data standards and meta-data tagging to facilitate the exchange of information within the USIC. The FBI is also applying new security technology to deploy a Protection Level 3 Data Mart capability with discretionary access controls and Public Key Infrastructure certificates in support of closed Communities of Interests, which will permit secure sharing of the most sensitive data with trusted members of other agencies. The FBI is also investigating the use

of secure one-way transfers to move information between security domains and to permit all-source intelligence analysis. The use of next-generation community High Assurance Guards is being planned to provide for the two-way transfer of critical intelligence between security domains. Secure wireless connectivity and Virtual Private Networks are also being considered to provide increased access to intelligence for deployed personnel. The FBI is beginning to use on-line, desktop collaboration tools such as Info Work Space, which is the foundation for the Intelligence Community Collaboration Portal, to increase intelligence collaboration.

In addition to improving communications capabilities among FBI offices, the FBI is working to enhance its ability to communicate with others in the USIC. The first FBI Top Secret/SCI Intelligence Community Data Mart is currently in development and should be on line by the end of 2004. The FBI's Chief Information Officer is working with DOJ on interfaces between the USIC System for Information Sharing and the Law Enforcement Information Sharing Initiative, as well as with the FBI's Criminal Justice Information Services Division, to increase the sharing of intelligence-related information with state and local officials.

7. How can we ensure that the expert not only sees it but sees all of it in the rawest possible form?

Response:

As indicated in response to Question 6, above, the FBI can best ensure that experts receive information in the form most useful to them by first understanding what they need and in what form they need it delivered. With the benefit of this information, the FBI must use and continue to enhance the IT infrastructure discussed above to ensure that the our USIC and law enforcement partners, as well as policy makers and stakeholders, receive the information they need to make decisions. As of December 2004, the FBI's Investigative Data Warehouse (IDW) provides a single access point for several data sources that were previously available only through separate, stove-piped systems. By providing consolidated access to the data, analytical tools can be used across multiple data sources to identify the information available to the FBI on a given topic. Information sharing projects, such as the Multi-agency Information Sharing Initiative (MISI), are intended to enable federal, state, local, and tribal law enforcement agencies to share regional investigative files and provide powerful tools for cross-file analysis. A proof-of-concept effort is underway in St. Louis and additional demonstration sites are being planned. Final decisions regarding the deployment of MISI will be based on the results of these demonstrations and a department-wide plan for law enforcement information sharing being developed by DOJ.

I have long proposed that there be a National "Fusion" Center to take all the information available and mold it into the final product that helps our nation protect itself. I long believed that the National Counterterrorism Center is a good idea. I thought it was a good idea during the debate on the creation of DHS; I thought it was a good idea when the Intelligence committees released their findings in December of 2002, and I thought it was a good idea throughout my service on the intelligence committee as we continued to see opportunities lost because of a lack of communication and coordination.

8. Is there now a central database where all intelligence can be accessed as was envisioned during the creation of the Department of Homeland Security?

Response:

While there is no single database where all intelligence information resides,[1] the Investigative Data Warehouse (IDW) has consolidated many of the primary investigative and intelligence data sources into a single searchable system. IDW currently has access to over 200 million records up to the Secret level, and a Top Secret version currently under development will enable records of all classification levels to be stored and searched. An IDW user can access both FBI information and intelligence information from other agencies, including IIRs the CIA has produced from 1978 to present, information from the Financial Crime Enforcement Network (FinCEN) (which contains a significant amount of terrorism-related data), and cable message traffic classified at the Secret level or below sent to the FBI from USIC members, including the Defense Intelligence Agency and the CIA. Additional data sharing is proceeding with other agencies, including DOS and DHS.

9. Could each of you detail how the recommendations set forth by the Commission affect your departments/agencies?

Response:

The FBI has worked closely with the Commission and its staff, and commends them for an extraordinary effort. Throughout the process, the FBI has viewed the Commission's inquiry as an opportunity to obtain the views of experts, and is gratified and encouraged that the Commission has embraced the FBI's vision for change and has recognized the progress the FBI has made to implement that vision. The FBI's work to date has been on strengthening FBI capabilities so that we can remain a strong participant in the partnership that defends the nation. Vital

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[1]Although DHS is linking and consolidating its databases, most of these databases are limited to Sensitive But Unclassified (SBU) data. A great deal of intelligence data is classified at the Secret level or above, which would prevent its inclusion in SBU databases.

information about those who would do harm to the nation is not acquired or possessed by the federal government alone. The FBI is proud to be part of an 800,000-member state, local, and tribal law enforcement community that is often the first to encounter and defend our nation against threats. The FBI's restructuring and operational efforts, based on the Commission's recommendations and the evolution of the war on terror, will enhance the FBI's capabilities by providing a more robust intelligence-based organizational structure, work force, and infrastructure.

Question Posed by Senator Akaka

10. Will you please identify for the Record the number of intelligence positions within the FBI and how many of those positions are unfilled?

Response:

There are 2,047 authorized intelligence positions within the FBI. Currently, 1,307 analysts are on board and 1,401 applicants for the Intelligence Analyst position are undergoing background investigations.

Questions Posed by Senator Durbin

11. One of the primary lessons drawn by many investigators of the September 11 terrorist attacks was that law enforcement and foreign intelligence information was not shared especially at the level of working analysts. Some statutory barriers to the sharing of information have been removed by the USA Patriot Act and Intelligence Authorization legislation, and TTIC and the Homeland Security intelligence shop were created to enhance information sharing. What is your assessment of how effectively information is being shared by components of the Intelligence Community and other elements of the U.S. Government today? What specific actions would you propose to enhance information sharing?

Response:

Please see the response to Question 4, above.

12. The Department of Defense (DoD) is currently undertaking a major initiative to transform its business systems and integrate inefficient, stovepiped, and worn information technology assets. According to GAO, DoD faces four major challenges in implementing this system: (1) lack of sustained leadership, (2) cultural resistance to change, (3) lack of

meaningful metrics and ongoing monitoring, and (4) inadequate incentives and accountability mechanisms. This integration process has been a huge expense and liability for DoD. In FY'04 $19 billion was requested to operate, maintain, and modernize these systems. The DoD's system has been identified by GAO as fundamentally flawed and adversely affecting mission effectiveness, while contributing to fraud, waste, and abuse. In seeking to make the changes recommended by the 9/11 Commission, the Joint Committees on Intelligence, and others, how will your agencies confront and clear the hurdles that DoD has faced?

Response:

The FBI has made significant progress over the past several months in addressing the challenges related to FBI IT systems. The FBI has strengthened its IT senior leadership ranks, centralized all IT resources under the Office of the Chief Information Officer (OCIO), restructured the OCIO along the lines of the organizational schemes used in the IT industry, initiated the development of an enterprise architecture, drafted a Strategic IT Plan, developed IT management policies and procedures, and expanded the IT Portfolio Management Program. According to a recently published General Accountability Office Audit Report entitled "Information Technology - Foundational Steps Being Taken to Make Needed FBI Systems Modernization Management Improvements," "the FBI is beginning to lay the management foundation needed for comprehensive improvements in its systems modernization management approach and capabilities."

Additionally, the FBI's holistic approach to IT risk management should minimize the hurdles that faced the Department of Defense (DoD). The FBI's risk management approach includes:

- a Strategic Information Technology Plan (SITP) that documents and shares the IT strategic vision. The SITP deals with myriad current and future IT strategic issues and will aid in the development of detailed plans for systemic change;

- the development of an Enterprise Architecture that will articulate an interoperability framework and provide a comprehensive view of the operating environment;

- the development of the Life-Cycle Management Directive, which establishes policies, procedures, and a mechanism for standards-based IT development;

- the establishment of the Information Technology Investment Management process, which facilitates performance-based investment decision making;
- the establishment of an IT Continuity of Operations Plan;
- the establishment of Standard Operating Procedures that institute preventive measures;
- technical direction for IT procurement and acquisition that will guide the re-engineering of FBI business systems;
- the establishment of Earned Value Management, which will provide meaningful metrics and visibility into technical, cost, and schedule progress;
- the establishment of a standard product and services list to improve customer support;
- inventory control to improve accountability of IT assets;
- the establishment of performance measures and reporting requirements to permit better assessment of progress; and
- the use of IT Fellowships and Interns, Tuition Assistance, Accelerated Training, IT Certification, and IT Exchange Programs to improve IT recruitment, retention, and development.

13. What are the current obstacles that are preventing the more effective flow of information-sharing among the various government agencies working on terrorism? Are outdated technologies still holding you back? Are information barriers more the product of existing structures, management, or overall approach to intelligence? How would the proposed NCTC remedy existing problems? Would it promote horizontal communication between agencies and branches as well as vertical communication up and down the chains of command? What other barriers are present that hamper better intelligence integration, analysis, and communication?

Response:

Information Sharing

As indicated in the response to Question 4, above, the FBI shares intelligence with other members of the USIC through the direct dissemination of classified and unclassified information and by making intelligence information available on classified USIC networks. The FBI has worked closely with its USIC partners to

ensure the effective and comprehensive information sharing that is vital to our joint success. For example, the FBI and its USIC partners share database access at the NCTC, Foreign Terrorist Tracking Task Force (FTTTF), TSC, NJTTF, and the local JTTFs. The FBI also provides the NCTC with direct electronic access to classified and unclassified internal FBI investigative and operational databases, with narrow exceptions for certain types of sensitive domestic criminal cases unrelated to terrorism. The FBI uses LEO, a virtual private network accessible to federal, state, and local law enforcement agencies at the SBU level, to share information accessed through NCIC, IAFIS, and III.

Obstacles Preventing the More Effective Flow of Information Sharing

When the various federal, state, and local agencies built their databases, there was no thought to their utility outside the individual agency. As a result, agency databases contain mixes of information that can be shared, such as techniques used by a given criminal enterprise, with information that cannot be shared, such as the agency's investigative sources and methods. Queries can be executed across disparate databases only if the databases are structurally similar, requiring agencies to agree on a common structure and move their information to the new system. This is a complex process, requiring the development of data standards and the flagging, tagging, and separation of information in a way that permits only appropriate access.

To facilitate coordination, the FBI's CIO sits on the Intelligence Community CIO Executive Council, which recommends and develops technical requirements, policies, and procedures, and coordinates initiatives designed to improve the interoperability of IT systems within the USIC. As an example of this collaborative effort, the FBI's IT team is attempting to improve the compatibility of IT systems throughout the USIC, and increase the speed and ease of information sharing and collaboration, by working closely with the CIOs of DHS and other USIC agencies to ensure the interoperability of technologies current in development.

As indicated with respect to Question 4, above, the FBI is also working with DOJ to develop interfaces between ICSIS and LEIS, in order to increase the sharing of intelligence-related information with state and local officials.

National Counterterrorism Center (NCTC)

The 9/11 Commission report recommended the establishment of the NCTC as the logical next step to further enhancing the cooperation between intelligence, national security, and law enforcement agencies that was begun by TTIC. The recent Executive Order establishing NCTC directs it to assign operational responsibilities for lead agencies, as consistent with the law. The Executive Order

also explicitly states: "The Center shall not direct the execution of operations." This directive, which comports with the recommendation of the 9/11 Commission, recognizes the importance of leaving operational control in the hands of the agencies.

The FBI believes the NCTC is an excellent model for joint intelligence/strategic operational planning centers, and we support that model. The NCTC should build upon the successful information sharing already begun by TTIC. As the details become finalized, it is anticipated that the NCTC will promote horizontal communication between organizations, as well as vertical communications up and down the chains of command.

14. Interoperability has been a watchword since 9/11, Congress has appropriated money for improved technologies, agencies tied to TTIC have made efforts to ensure connectivity and interoperability, but what is the current status of connectivity between TTIC and the agencies and departments represented here?

Response:

There is redundant high speed connectivity between the NCTC and FBI Headquarters. These high speed circuits provide the NCTC and FBI analysts the ability to instantaneously exchange and collaborate on TS/SCI and Secret information, as well as to conduct video teleconferences. As the Sensitive Compartmented Information Operational Network (SCION) is deployed to the field, the exchange of information between the FBI and NCTC analysts can increase dramatically, because SCION supports the communication of TS information.

15. The FBI is credited with making substantial progress in upgrading its information technology to improve its ability to search and analyze information. What do you see as the keys to your success? Is your improved technology integrated with other agencies? Can you communicate electronically in all modern capacities? Are there still barriers?

Response:

The primary keys to this progress are staunch support from Director Mueller and Congress, the USA PATRIOT Act (which helped to break through some of the barriers requiring the segregation of information), and an increasing level of cooperation among the different intelligence agencies.

The FBI's improved IT systems are integrated with other agencies' systems, and becoming more integrated over time. The CIA has provided to the FBI the IIRs created from 1978 to present, FinCEN has provided copies of their main databases

for inclusion in IDW, the FBI receives daily intelligence reports and cable messages from many USIC members, and IDW has incorporated the TSA Selectee and No Fly lists. In July 2004, the FBI and DOS executed a Memorandum of Understanding (MOU) regarding the use of Consolidated Consular Database information for visa purposes, and in January 2005 the FBI, DOS, and DHS executed an MOU pursuant to which the FBI receives visa and admission information from US-VISIT and SEVIS. The inclusion of information in IDW is important, because IDW is currently available to approximately 5,000 users, including the JTTFs and other multi-agency organizations.

Information sharing with other government agencies at the Secret level is currently enabled through access to the DoD Secret Internet Protocol Router Network (SIPRNET), which provides the communications backbone for INTELINK-S, the Secret intelligence Intranet. INTELINK-S contains classified information from over 200 web servers supporting the intelligence, homeland security, military, counterintelligence, and law enforcement communities. All JTTFs and approximately 3,000 FBI analysts require access to a Secret-level network. The FBI's CIO is addressing this requirement with an innovative enterprise solution using the IC Data Mart's SIPRNET-to-the-Desktop implementation, which will enable authorized users to access INTELINK-S and to send Secret-level e-mail to people outside the Bureau from any FBINET workstation.

Although prior to 9/11/01 the FBI did not possess integrated capability for electronically accessing, distributing, retrieving, and sharing TS/SCI information, the events of 9/11 heightened the need for accessing and sharing information at this classification level within the FBI and throughout the USIC. Prior to 9/11, TS/SCI message traffic, IIRs, the President's Terrorist Threat Reports, and other important, time sensitive classified documents were printed, copied, and distributed by hand, making analytical collaboration and the searching and archiving of data impossible. With the deployment of SCION in 2003, these deficiencies were partially corrected. The full deployment of SCION to the field offices is the next critical step in the FBI's IT advancement.

16. In his assessment, "The 9/11 Commission Report: Strengths and Weaknesses," Anthony Cordesman of the Center for Strategic and International Studies, writes that "The Commission is correct in talking about the urgency of the threat, but overstates the prospects for solutions. There needs to be far more honesty in saying that many of the improvements the U.S. government already have underway will not be ready for 3-5 years, and will still leave the US and its allies with significant vulnerabilities." How do you respond to Cordesman's assessment and what can we do to imbue the government with the urgency that drove the Manhattan Project, the race to the moon, and other fundamental efforts? What is the needed paradigm change and how do we accelerate it?

Response:

While we understand that a better understanding of the terrorist threat prior to 9/11/01 would have been optimal, the FBI has clearly had this sense of urgency since the 9/11 attacks. Under the direction of Director Mueller, the FBI has recognized the need for change in the way investigations concerning the war on terrorism must be conducted, and has revised both its procedures and the expertise it seeks in its workforce. With these changes, which include overhaul of our CT operations, expansion of our intelligence capabilities, modernization of our business practices and technology, and improvement of our coordination with intelligence and law enforcement partners, we are far better able to predict and prevent acts of terrorism. Other changes include replacement of a priority system that allowed supervisors a great deal of flexibility with a set of 10 priorities that strictly govern the allocation of personnel and resources in every FBI program and field office, establishment of CT as our first priority, and the requirement to address every terrorism lead expeditiously, even if it requires a diversion of resources from other priority areas.

To implement these priorities, the FBI increased the number of Special Agents assigned to terrorism matters, hired additional intelligence analysts and linguists, and established a number of operational units designed to improve our ability to address the terrorist threat. These new units include the CT Watch Unit, which is operational 24/7; the Terrorism Financing Operation Section, which centralizes the FBI's efforts to interrupt terrorist financing; document and media exploitation squads to exploit material found overseas for its intelligence value; deployable "Fly Teams" to lend CT expertise wherever it is needed; the NJTTF to manage and share threat information; and the TSC and FTTTF to help identify terrorists and keep them out of the United States.

The FBI centralized management of our CT program at FBIHQ to limit the "stove-piping" of information, to ensure consistency of CT priorities and strategy across the FBI, to integrate operations domestically and overseas, to improve coordination with other agencies and governments, and to make senior managers accountable for the overall development and success of our CT efforts. We are building an enterprise-wide intelligence program that has substantially improved our ability to direct our intelligence collection strategically and to fuse, analyze, and disseminate our terrorism-related intelligence. After the barrier to sharing information between intelligence and criminal investigations was removed by the USA PATRIOT Act, related Attorney General Guidelines, and the Foreign Intelligence Surveillance Court of Review opinion, the FBI quickly implemented a plan to integrate our capabilities to better prevent terrorist attacks. This plan included elevation of our intelligence role to program-level status, implementation of a formal structure and concepts of operations to govern FBI-wide intelligence

functions, and establishment of FIGs in every field office. The FBI recently issued a series of new procedures that fundamentally transform our approach to hiring, training, and career development in order to ensure Bureau-wide understanding of intelligence processes and objectives.

The FBI is making substantial progress in upgrading IT systems to streamline our business processes and to improve our ability to search for and analyze information, draw connections, and share these results both within the Bureau and with our partners. In this effort, we have deployed a secure high-speed network, put new or upgraded computers on desktops, and consolidated terrorist information in a searchable central database.

Re-engineering efforts are making the FBI's bureaucracy more efficient and more responsive to operational needs. The FBI's improved efficiency and effectiveness is particularly enhanced by a revised approach to strategic planning, a new focus on recruiting to attract individuals with skills critical to our law enforcement and intelligence missions, the development of a more comprehensive training program, the institution of new leadership initiatives to keep our workforce flexible, our modernization of the storage and management of FBI records, and the continued improvement of our security program with centralized leadership, including the recruitment of professional security personnel, more rigorous internal security enforcement, and improved security education and training.

These improvements have produced tangible and measurable results. For example, the FBI has significantly refined the process used to brief daily threat information, and has considerably increased the number and quality of FBI intelligence reports produced and the breadth of their dissemination. As a result, the FBI has participated in disrupting dozens of terrorist operations by developing and disseminating actionable intelligence and through better communication and coordination with our partners.

17. The Commission recommended that the NID be placed in the Executive Office, with budgetary authority and the power to hire and fire subordinates in the intelligence chain. The President's proposal places the NID outside the Executive Office, which while it insulates the position from political pressures also limits its influence. The President's version of the National Intelligence Director also falls short of a Cabinet-level post and lacks budgetary authority. What are the pros and cons of the two approaches?

Response:

The Intelligence Reform and Terrorism Prevention Act of 2004 addresses this issue.

18. The Secretary for Homeland Security Tom Ridge has recently elevated the terrorism threat level for financial institution buildings in Washington, D.C., New York City and northern New Jersey -- and there are continuing concerns about an al Qaeda attack against the U.S. homeland prior to our forthcoming national election. Since 9/11, to what extent has the Intelligence Community placed renewed emphasis on human intelligence (HUMINT), on improved analysis, on cooperation with law enforcement agencies, and on ensuring that real-time intelligence about terrorist activities reaches those who can most effectively counter it? How prepared are we to deal with a possible al Qaeda attack against the U.S. homeland within the next four months? To what extent, if any, is there room for improvement in our ability to detect, monitor and disrupt terrorist threats to the U.S. -- both at home and overseas? Please elaborate.

Response:

While the FBI is always seeking means of improving our ability to detect, monitor, and disrupt terrorist threats, we have made great strides under Director Mueller's leadership, and have moved aggressively in implementing a comprehensive plan to fundamentally transform the FBI with one goal in mind: the prevention of terrorism. No longer does the FBI focus primarily on the investigation of crimes after they occur; the FBI is now dedicated to the disruption of terrorists before they are able to strike. By expanding intelligence capabilities, modernizing business practices and technologies, and improving coordination with our partners, the FBI is taking full advantage of its dual role as both a law enforcement and an intelligence agency. The continued transformation of the FBI to address today's priorities includes a number of steps to enhance operational and analytical capabilities and to ensure the continued sharing of information with our partners at the federal, state, local, tribal, and international levels. These steps include the following.

- Substantial increases in the number of FBI agents, intelligence analysts, and linguists.

- Creation and expansion of the Terrorism Financing Operations Section, which is dedicated to identifying, tracking, and terminating terrorism funding.

- Participating in the NCTC and TSC, which provide new lines of defense against terrorism by making information about known and suspected terrorists available to the national security, homeland security, and law enforcement communities.

- Removing the walls that have sometimes hampered coordination among in federal, state and local law enforcement partners. Today, the FBI and CIA

are integrated at virtually every level of intelligence operations. This cooperation will be further enhanced as the FBI's CTD is increasingly co-located with the NCTC.

- Increasing the number of JTTFs to 100 nationwide.

- Creating and refining information sharing systems, such as the FBI's National Alert System and the Interagency Alert System, which electronically link the FBI with its domestic partners.

- Sending approximately 275 FBI executives to the Kellogg School of Management at Northwestern University to receive training regarding executive leadership and strategic change.

As indicated in response to Question 16, above, the FBI has centralized management of the program to limit the "stove piping" of information. Recognizing that a strong, enterprise-wide intelligence program is critical to our success in all investigations, the FBI has worked hard to develop a strong intelligence capability and to integrate intelligence into every investigation and operation across the FBI. Included in this effort are the following.

- Creating the Office of Intelligence under the direction of a new EAD for Intelligence. This Office establishes unified standards, policies, and training for analysts, who examine intelligence and ensure it is shared with appropriate law enforcement and intelligence partners. The Office of Intelligence has already prepared over 2,600 intelligence reports and other documents for the President and members of the USIC.

- Establishing a formal analyst training program. The FBI is accelerating the hiring and training of analytical personnel, and developing career paths for analysts that are commensurate with their importance to the mission of the FBI.

- Developing Concepts of Operations governing all aspects of the intelligence process - from the identification of intelligence requirements, to the methodology for intelligence assessment, to the drafting and formatting of intelligence products.

- Establishing a Requirements and Collection Management Unit to identify intelligence gaps and develop collection strategies to fill those gaps.

- Creating Reports Officer positions and FIGs in the field offices to review investigative information both for use in investigations in that field office

and for dissemination throughout the FBI and to appropriate law enforcement and USIC partners.

Because weapons of mass destruction (WMD) are an increasing threat as terrorist groups and other criminals become both interested in and able to acquire such weapons, the FBI is planning for the creation of a new Counter-proliferation Section at FBIHQ. This enhanced organizational architecture will begin with the establishment of a Counter-proliferation Unit in each of the Counterintelligence Division's (CD) region- and issue-oriented operational sections. Creation of these units will enable the CD to coordinate more effectively with FBI Field Offices conducting WMD investigations and to provide guidance and supervision as appropriate.

Post-Hearing Questions for the Record
Submitted to Deputy Director Philip Mudd
From Chairman Susan M. Collins

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

1. At the Committee's April 3 hearing, you expressed concern that the 9/11 Commission recommendations were unworkable in some respects. Please elaborate on that concern.

Post-Hearing Questions for the Record
Submitted to Deputy Director Philip Mudd
From Senator Richard Shelby

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

Introductory Statement:

For some time now, I have advocated for significant change within our intelligence communities. I have even proposed the creation of an NID to oversee all intelligence gathering – someone with total control and total accountability. Today's system is far too disjointed and territorial. I believe 9/11 showed us that we cannot continue down the same path but that we must make significant changes if the nature of the information we are gathering and analyzing is to prove useful in thwarting another terrorist attack.

I believe that we must change the landscape of the intelligence community and that change must occur sooner rather than later. However, I believe we must make certain that the changes we propose will actually accomplish the goals we set forth. Change merely for the sake of change will not accomplish anything. It is essential that we move forward in a steady, thoughtful manner.

The 9/11 Commission carefully investigated the failures of our intelligence community that led to September 11th and made a number of recommendations to address those problems. And while, they did a lot of looking backward in order to, as they put it, look forward, I am not certain how much they considered the changes that the intelligence community has undergone since 9/11. We have heard a lot about the 5 o'clock briefings and the merging of intelligence data that occurs today that did not occur prior to 9/11.

QUESTION:

Gentlemen, I am interested to learn what changes the community has undergone since 9/11 to address the failings and the criticisms. How would you characterize the flow of information between and within agencies today as opposed to 9/11?

Too often, we look at intelligence and we talk about the need for greater sharing of information. While greater sharing is necessary, it is not enough. I know the community is working towards change, but I don't think we are there yet. To fully realize the benefits of our intelligence gathering, the community must work as a cohesive body with greater integration among agencies and analysts. We must look as many people have said at the fusion of intelligence not just the sharing of information.

QUESTION:

As you sit here today, can each of you say that you believe that you have greater access to all of the intelligence that is being gathered than you did prior to 9/11?

QUESTION:

What has been done and what needs to be done to ensure that we continue to break down barriers between agencies and analysts that hinder the fusion of information and analysis?

QUESTION:

How do we balance the need to protect sources and methods and the need for context and background in analysis?

QUESTION:

Gentleman, how do we set up an apparatus that ensures that the people that need to see all of the information see it?

QUESTION:

How can we ensure that the expert not only sees it but sees all of it in the rawest possible form? I have long proposed that there be a National "Fusion" Center to take all the information available and mold it into the final product that helps our nation protect its self. I long believed that the National Counterterrorism Center is a good idea. I thought it was a good idea during the debate on the creation of DHS; I thought it was a good idea when the Intelligence committees released their findings in December of 2002, and I thought it was a good idea throughout my service on the intelligence committee as we continued to see opportunities lost because of a lack of communication and coordination.

QUESTION:

Is there now a central database where all intelligence can be accessed as was envisioned during the creation of the Department of Homeland Security?

QUESTION:

Could each of you detail how the recommendations set forth by the Commission affect your departments/agencies?

Post-Hearing Questions for the Record
Submitted to Deputy Director Philip Mudd
From Senator Daniel K. Akaka

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

Will you please identify for the Record the number of intelligence positions within the CIA Counterterrorism Center and how many of those positions are unfilled?

Post-Hearing Questions for the Record
Submitted to Deputy Director Philip Mudd
From Senator Richard J. Durbin

"Assessing America's Counterterrorism Capabilities"

August 3, 2004

QUESTIONS FOR PANEL 1:

- One of the primary lessons drawn by many investigators of the September 11 terrorist attacks was that law enforcement and foreign intelligence information was not shared especially at the level of working analysts. Some statutory barriers to the sharing of information have been removed by the USA Patriot Act and Intelligence Authorization legislation, and TTIC and the Homeland Security intelligence shop were created to enhance information sharing. What is your assessment of how effectively information is being shared by components of the Intelligence Community and other elements of the U.S. Government today? What specific actions would you propose to enhance information sharing?

- The Department of Defense (DoD) is currently undertaking a major initiative to transform its business systems and integrate inefficient, stovepiped, and worn information technology assets. According to GAO, DoD faces four major challenges in implementing this system: (1) lack of sustained leadership, (2) cultural resistance to change, (3) lack of meaningful metrics and ongoing monitoring, and (4) inadequate incentives and accountability mechanisms. This integration process has been a huge expense and liability for DoD. In FY'04 $19 billion was requested to operate, maintain, and modernize these systems. The DoD's system has been identified by GAO as fundamentally flawed and adversely affecting mission effectiveness, while contributing to fraud, waste, and abuse. In seeking to make the changes recommended by the 9/11 Commission, the Joint Committees on Intelligence, and others, how will your agencies confront and clear the hurdles that DoD has faced?

- What are the current obstacles that are preventing the more effective flow of information-sharing among the various government agencies working on terrorism? Are outdated technologies still holding you back? Are information barriers more the product of existing structures, management, or overall approach to intelligence? How would the proposed NCTC remedy existing problems? Would it promote horizontal communication between agencies and branches as well as vertical communication up and down the chains of command? What other barriers are present that hamper better intelligence integration, analysis, and communication?

- Interoperability has been a watchword since 9/11, Congress has appropriated money for

and interoperability, but what is the current status of connectivity between TTIC and the agencies and departments represented here?

- In his assessment, "The 9/11 Commission Report: Strengths and Weaknesses," Anthony Cordesman of the Center for Strategic and International Studies, writes that "The Commission is correct in talking about the urgency of the threat, but overstates the prospects for solutions. There needs to be far more honesty in saying that many of the improvements the U.S. government already have underway will not be ready for 3-5 years, and will still leave the US and its allies with significant vulnerabilities."

  How do you respond to Cordesman's assessment and what can we do to imbue the government with the urgency that drove the Manhattan Project, the race to the moon, and other fundamental efforts? What is the needed paradigm change and how do we accelerate it?

- The Commission recommended that the NID be placed in the Executive Office, with budgetary authority and the power to hire and fire subordinates in the intelligence chain. The President's proposal places the NID outside the Executive Office, which while it insulates the position from political pressures also limits its influence. The President's version of the National Intelligence Director also falls short of a Cabinet-level post and lacks budgetary authority. What are the pros and cons of the two approaches?

- The Secretary for Homeland Security Tom Ridge has recently elevated the terrorism threat level for financial institution buildings in Washington, D.C., New York City and northern New Jersey -- and there are continuing concerns about an al Qaeda attack against the U.S. homeland prior to our forthcoming national election. Since 9/11, to what extent has the Intelligence Community placed renewed emphasis on human intelligence (HUMINT), on improved analysis, on cooperation with law enforcement agencies, and on ensuring that real-time intelligence about terrorist activities reaches those who can most effectively counter it? How prepared are we to deal with a possible al Qaeda attack against the U.S. homeland within the next four months? To what extent, if any, is there room for improvement in our ability to detect, monitor and disrupt terrorist threats to the U.S. -- both at home and overseas? Please elaborate.

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