

**STATEMENT OF ASSISTANT SECRETARY CHARLES E. ALLEN TO THE
SUBCOMMITTEE ON INTELLIGENCE, INFORMATION SHARING, AND
TERRORISM RISK ASSESSMENT, HOUSE HOMELAND SECURITY
COMMITTEE, FEBRUARY 14, 2007**

Introduction

Chairwoman Harman, Ranking Member Reichert, and Members of the Subcommittee: Thank you for the opportunity to appear before you today to discuss vital intelligence initiatives we are undertaking within the Department of Homeland Security.

There has been a great deal of dialogue over the past year on the topic of information sharing. The Intelligence Community, especially under the leadership of outgoing Director of National Intelligence Negroponte and the Federal Government's Information Sharing Environment Program Office, has made a great deal of progress across a broad swath of initiatives. Much of the dialogue has centered on the question of relationships – partnerships really – among members of the Intelligence Community, amongst Federal departments and agencies, and arguably most importantly between the Federal government and the non-Federal government and private sector.

Dialogue is key to understanding, and the ongoing dialogue has borne great fruits as we continually enhance our understanding of how to build strong partnerships. At the same time, some recent dialogue has, from my perspective, misrepresented my views of these partnerships. I would like to begin my testimony by clarifying my vision, and that of the President, for these partnerships and then making two pledges to demonstrate how our dialogue informs our actions.

Vision

I envision a truly seamless community of intelligence professionals stretching out across the nation inclusive of traditional intelligence professionals, of law enforcement intelligence professionals, and of State, local and private sector intelligence professionals. This community is founded on the thesis that all of its members are equally essential to its success – the threat is too complex to be solved without the full engagement of the entire community. The community is guided by the principle laid out by the Director of National Intelligence (DNI) Mike McConnell that each member equally shares a “responsibility to provide.”

It is in this context that I am pleased to announce the Department's support for the participation of State and local government representatives in the Interagency Threat Assessment and Coordination Group and pledge my staff's full effort to make this happen. The Interagency Threat Assessment and Coordination Group will facilitate the production of “Federal coordinated information,” ensuring our non-Federal partners have the validated, accurate, timely, and actionable information they need to protect against terrorism. We at DHS are proud to be leading this group, in cooperation with our partners, and we expect to have it up and running in the coming weeks.

This is only one of many steps we are taking to realize my vision, and that of the President, of a truly seamless community of homeland security professionals – where each member is treated as an equal partner and fully acts on this responsibility to provide. Madam Chairwoman, I further pledge to you that DHS Intelligence, by which I include the intelligence programs of our operating components, will set the standard for inclusiveness, access, and collaboration with all of our partners at both the Federal and non-Federal levels. In many cases, by the nature of the Department's position at the nexus of these multiple professional communities, I expect we will lead the integration of these partners into a true homeland security intelligence community.

Let me now talk briefly about what we have accomplished and what we are doing this year to build our core capacity to deliver intelligence to our partners and customers.

Fiscal Years 2006 and 2007: Building Core Capacity

The threat we face today is more borderless, complicated, stretches farther across the globe, and evolves more rapidly than ever before. DNI McConnell shared the same message in his confirmation hearings. Over the past few years, through your work on intelligence reform, the President's leadership, and the efforts of former DNI Negroponte, we have begun the hard work of transforming the Intelligence Community to provide the support our nation requires to prosper in the face of this new threat environment. Over the same period, my Office was building core capacities while simultaneously transforming structure and approach to keep pace with the changing homeland security environment and to integrate into the institutions formed to counter the many threats the nation is facing.

The Office of Intelligence and Analysis

Since its inception, the Office of Intelligence and Analysis has been focused on building its core capacities to deliver intelligence. We have worked through the challenges of standing up an outstanding workforce, we are establishing the policy and procedures for our unique approach to intelligence, and we continue to work hard to understand our widely diverse customers' requirements. We still have much work to accomplish, but I want to highlight the progress we have made.

In response to the Department's priorities, I have restructured my organization, realigned our focus toward the full spectrum of threats against which the Department is securing the homeland, and rebalanced my workforce to build a capacity that is sustainable into the future. I brought onboard an experienced leadership team and I have filled senior vacancies with strong leaders and managers. I continue to focus on recruiting a world-class workforce and retaining high performers by investing in a nurturing training, education and professional development program.

We have made significant progress in establishing a strong collection requirements and management program – building initial capacity in open source intelligence, streamlining the reporting of information of intelligence value by our reports officers, and improving our exploitation of information gathered through the Department's conduct of law enforcement. We have broadened our analytic scope to encompass the broad spectrum of threats to the homeland and have improved the quality of our analysis. We regularly produce homeland security intelligence assessments to brief the Secretary, Deputy Secretary, and other senior Department officials and directly support key Department efforts such as the Secure Border Initiative and the Visa Waiver Program. Furthermore, we have demonstrated the value of homeland security intelligence by contributing regularly to the President's daily brief and the National Terrorism Bulletin. We continue to provide homeland security operators and policy makers, the Intelligence Community, and our Federal, State, local, tribal, and private sector partners with tailored, timely, and actionable intelligence. Supporting all of this, we have established a functional information technology and knowledge management

backbone and have laid the foundation for this backbone to continue to keep pace with advancements in technology. My Office has unique legislative authorities for handling all types of information relevant to homeland security. We will ensure our information technology system does this in an auditable manner that ensures both effective use of the information and the protection of privacy and civil liberties of Americans.

The DHS Intelligence Enterprise

The Secretary demonstrated his vision of the role of intelligence within the Department in his Second Stage Review, where he simply stated, “Intelligence is at the heart of everything we do.” As a result of the review, the Secretary created the position of the Chief Intelligence Officer to lead and manage the integration of the DHS Intelligence Enterprise. I am honored to be the first person to hold this position. One of my first actions as the Chief Intelligence Officer was to establish the Homeland Security Intelligence Council, which is comprised of the heads of the seven intelligence components in the Department and key members of my leadership team. This Council serves as my principal decision-making forum for intelligence issues of Department-wide significance. I also made it a priority to issue the first DHS Intelligence Strategic Plan.

Under the authorities laid out in the Department’s Management Directive 8110, last spring I implemented the first ever DHS Intelligence Program Reviews. As a result of my program reviews, the Commissioner of Customs and Border Protection charged his Director of Intelligence with developing an integrated Customs and Border Protection intelligence structure. We continue to professionalize our program review capabilities and will institutionalize this process of careful scrutiny of investments in intelligence throughout the Department. Our goal is to ensure that we are efficient and effective in our approach across the Department and to develop an intelligence culture within DHS.

Additionally, we are working throughout the Department to improve and integrate existing information collection capabilities, such as our Department’s air-based systems, ground sensors, and law enforcement technical collection capabilities. Our efforts will result in a departmental approach to Intelligence, Surveillance, and Reconnaissance (ISR) that will complement the abilities of our partners in the Intelligence Community. Similarly, intelligence analysts are now collaborating with one another across the Department on specific projects, reflecting a unique Departmental contribution to intelligence. These efforts move us toward a Department-wide intelligence production plan and a culture of collaboration.

The Homeland Security Intelligence Community

The realization of a national homeland security intelligence community — rests on establishing a partnership of equals and building the physical infrastructure to connect all members of the community. I am taking steps both in the establishment of this partnership of equals (through my State and Local Fusion Center Program, in coordination with the President’s National Fusion Center Framework, and a culture of inclusiveness) and the foundational physical infrastructure (providing unparalleled access, both at the Secret level and the controlled unclassified level). My analysts in the

DHS Homeland Infrastructure Threat and Risk Analysis Center (HITRAC) are building an additional foundation for our partnership with the private sector.

Our State and Local Fusion Center Program (SLFC Program) is a direct outgrowth of the Homeland Security Act (HSA) of 2002 and the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, and is being developed consistent with the President's Information Sharing Guidelines. In both the HSA and the IRTPA, the responsibilities of the Federal government were broadened to include a much more pronounced requirement to build a unified homeland security community composed of both Federal and non-Federal members. The DHS State and Local Fusion Center Program is designed to ensure that State and local officials are tied into the Department's day-to-day operations, just as my officers are embedded in theirs.

The SLFC program is working to get DHS personnel to link the Federal government to our State and local customers. To date, we have deployed 12 officers to 12 fusion centers around the country. We will continue our aggressive schedule to deploy up to 35 officers by the end of FY 2008, and are currently conducting assessments, in coordination with both our Federal and State and local partners, to determine which centers have the greatest need. Our officers in the fusion centers are working with their partner homeland security and law enforcement intelligence professionals to share information, to collaborate on analysis, and to identify local information of value. The result will be better reporting of critical information and intelligence, both horizontally among the fusion centers themselves and vertically to the Federal community.

This year I have directed my intelligence analysts to reach out to relevant SLFCs to develop joint analytic products with State and local partners. Recently, my Office published a special assessment of Muslim extremist radicalization within the California prison systems. This analytic assessment was possible only because of the partnership my Office has with members of California's law enforcement communities.

We also realize there is a major need to provide mechanisms (the physical infrastructure and information management technology) to augment more complete sharing of intelligence reporting and analytical products. At the unclassified and FOUO level, we have established a pilot program capability, under the Homeland Security Information Network (HSIN), that includes an intelligence portal where we comprehensively post both intelligence reporting and analytical products at the FOUO level. We plan to expand this portal to allow for protected email exchange for States to collaborate while being protected from intrusion. At the SECRET level, my Office, in full coordination with the Department Chief Information Officer, is deploying the Homeland Secure Data Network (HSDN) to the fusion centers, and, in an unprecedented move for the Federal government, the Department is giving State and local officials direct access, in their own facilities, to this network that provides reporting and email not only from the Department but also from the rest of the Intelligence Community. The establishment of the HSIN portal (FOUO level) and the deployment of HSDN (SECRET level) are major steps forward in increasing the connectivity between DHS Intelligence and our partners at the State and local level.

With that brief highlight of our capacity building at the Office, DHS Intelligence Enterprise, and Homeland Security Intelligence Community levels, let me turn now to our Fiscal Year 2008 budget.

Fiscal Year 2008 Budget: Enhancing Capacity Through Targeted Investment

We have made steady strides since the inception of the Department in building our intelligence capability and delivering results to our partners and customers. In Fiscal Year 2008, we will continue to enhance our capacity across our mission areas (Intelligence Requirements, Collection and Dissemination; Analysis and Warning; Information Sharing and Knowledge Management; Mitigation, Prevention and Readiness; Mission Advocacy; Planning and Integration) by sustaining current investment levels and adding modest targeted investments to further mature the Department's capability.

Intelligence Requirements, Collection and Dissemination

I will sustain current investments in intelligence requirements, collection, and dissemination. In addition, we are requesting modest additional investments in targeted capabilities in Open Source Intelligence and the National Immigration Information Sharing Office.

- **Domestic Programs Open Source Enterprise:** This program will increase our open source research and analysis capabilities for the benefit of the DHS Intelligence Enterprise, as well as Federal, State, and local law enforcement agencies, and the Intelligence Community. We will develop a strong Open Source Intelligence (OSINT) capability focused on our areas of expertise and responsibility to complement the broader Intelligence Community's open source investments. This OSINT capacity will respond to the modern recognition of the value of open-source intelligence. Our open source initiative will seek to fulfill three of the Secretary's budgetary goals of protecting the homeland from "dangerous people," "dangerous goods," and to "protect critical infrastructure."
- **National Immigration Information Sharing Office (NIISO):** This program will facilitate the appropriate uses of citizenship and immigration benefits information currently being collected and housed at a U.S. Citizenship and Immigration Service's facility in Lee's Summit, MO. This new initiative will seek to fulfill the Secretary's budgetary goal to protect the homeland from "dangerous people."

These new initiatives, along with the maturation of the DHS' Integrated Collections Strategy and integrated approach to Intelligence, Surveillance, and Reconnaissance (ISR) will improve Department's responsiveness to our internal and external partners needs, as well as complement the abilities of our partners in the Intelligence Community. In addition, I will continue to professionalize and sustain my investment in my Reports Officer program. This program which has been underway for the past 2 years is designed to facilitate our access to a broader range of information. DHS Reports Officers maximize the quality of information provided to the

Intelligence Community by ensuring that law enforcement information is protected and that all departmental records and databases are reviewed.

Analysis and Warning

I will continue to improve the quality of analysis and warning by sustaining current levels of investment across my Intelligence Watch and Warning; Chemical, Biological, Radiological, and Nuclear (Protecting the Homeland from attacks using WMD is a top priority of the Department, resulting in major efforts across the homeland security intelligence enterprise. In FY2008 we expect to be well underway in implementing our Homeland Intelligence WMD Strategy.); Homeland Threat Environment; and critical infrastructure (via HITRAC) focus areas. I will increase our depth and knowledge by making a modest additional investment in my borders analytic capability (through my **Integrated Border Intelligence Program**). The primary impetus for improvement, however, will come from institutionalizing the realignment of my Office's analytic corps instituted during FY 2006 and FY 2007, including specific branches dedicated to analyzing radicalization within American society and travel systems vulnerabilities. In addition, we are solidifying our relationships with our Departmental partner organizations as the Domestic Nuclear Detection Office, Science and Technology Directorate, National Preparedness and Protection Directorate, Office for Civil Rights and Civil Liberties, and the Office of Health Affairs, in order to leverage their information and knowledge to support our analytical efforts.

Information Sharing and Knowledge Management

Having made solid investments in information sharing and knowledge management in FY 2006 and FY 2007, I will continue to provide services in these areas, further developing the enterprise architecture and expanding our connectivity with our Federal and non-Federal partners. One of the cornerstones of these endeavors is the expansion of a collaborative information environment at the SECRET level, which will foster classified communication amongst the Department's components and with our state and local partners. This capability, coupled with the Department providing access to both intelligence reporting and analytical products at the unclassified and FOUO levels, will enhance our information sharing relationships with State, local, tribal and private sector partners. In this effort, we are fully engaged with the DHS Science and Technology (S&T) Directorate and other Departmental components through an Integrated Process Team process to identify, develop, and acquire technology to help us improve information sharing. For example, S&T resources are targeted to develop technology that will improve data sharing and data fusion for information sharing.

Mitigation, Prevention and Readiness

I am sustaining my current investments in mitigation, prevention and readiness. In FY 2007 we are making the initial transition toward a shared DHS Intelligence Enterprise continuity of operations capability and I will use my current levels of funding to continue to finalize that transition in FY 2008.

Mission Advocacy

I will bolster my investment in mission advocacy to ensure we meet my pledge to build a seamless homeland security intelligence community uniting the Intelligence Community, the law enforcement intelligence community, and our non-Federal and private sector homeland security partners. In particular, I am making a new investment in our State and Local Fusion Center Program (SLFC) to bolster our agency investments made in FY 2006 and FY 2007 to jumpstart this critical program.

- **Support to State and Local Fusion Centers (SLFC):** This program will fund intelligence officers and support infrastructure to continue establishing robust intelligence partnerships between the States, private sector, the Department, and the Federal government. This initiative will seek to fulfill four of the Secretary's budgetary goals - protect the homeland from "dangerous people," protect the homeland from and "dangerous goods," "protect critical infrastructure," and build "a nimble, effective emergency response system."

I am working to implement the President's vision of a National Network of Fusion Centers. We envision a network of State, local, and Federal intelligence and law enforcement professionals working together to achieve a common goal – protecting the homeland. The Federal government recognizes that State and local authorities have been working at this far longer than the Federal side. Working together – leveraging our networks, moving relevant information and intelligence quickly, and enabling rapid analytic and operational judgments - will be the central purpose of a National Network of Fusion Centers.

Planning and Integration

I will continue to focus on planning and integration in FY 2008 by maintaining the investment commitments I have made in this area, while adding a new capability to integrate the parts of our DHS Intelligence Enterprise focused on border security.

- **Integrated Border Intelligence Program (IBIP):** Provides additional personnel and support infrastructure for direct intelligence support to all border security operations and an increase in Intelligence and Analysis' border analysis capability. This initiative will also seek to fulfill all five of the Secretary's budgetary goals.

Some of this new capability I discussed above in the analytic area. A major additional component of this capability is an investment in the deployment of additional intelligence professionals to key hubs on the southwest border in order to build a more integrated DHS Intelligence capability. These efforts will be supported by ongoing Departmental integration activities, such as offering Department-wide intelligence training programs and institutionalizing the Intelligence Campaign Planning Program.

Risks: Human Capital, Continued Integration, and Facilities

In a Department focused on risk management, I would be remiss if I did not discuss with you those key areas that I consider to be factors that put at risk our success

in delivering results. While my focus today is largely on the Office of Intelligence and Analysis, after consulting with my Homeland Security Intelligence Council, I believe many of the risk factors that apply to my Office also hinder the other six intelligence programs in the Department. These challenges – primarily in human capital, integration, and facilities – are immense and not only slow our delivery in priority areas, but contribute to an atmosphere that exacerbates the challenge of daily worklife. Even though these conditions continue to hamper the valuable contributions of the people of the Office of Intelligence and Analysis and the DHS Intelligence Enterprise, they are nonetheless resolute in their devotion to duty.

Throughout the Intelligence Community, there has been a significant effort to recruit and retain a world-class intelligence professional workforce. As a result of the number of intelligence vacancies throughout the Intelligence Community and the private sector, my Office, as well as our counterparts throughout the DHS Intelligence Enterprise, are facing great challenges to fill our vacancies and retain the staff we have onboard. I and my staff have been open and transparent with you in the challenges we are facing in filling our vacancies. To overcome these challenges, we are vigorously implementing our recruiting strategy, which includes participation in career fairs; making innovative use of the Pat Roberts Scholarships for vacancies in the Office of Intelligence and Analysis as well as for continuing education; and employing the hiring flexibilities available to us. Nonetheless, our progress is sluggish and we are not consistently successful in competing with the rest of the Intelligence Community and the private sector for candidates. I attribute some of this to the imbalance created by having the majority of the Intelligence Community eligible for excepted service and some, like the Office of Intelligence and Analysis, in the traditional, more rigid competitive service. In addition, factors such as the security clearance process only serve to further delay our hiring process. While I realize this is a complicated area, I am coming to the conclusion that we must grant DHS Intelligence the same excepted service flexibility available to its partner organizations in the Intelligence Community; this will create a more unified and mobile intelligence workforce as envisioned by intelligence reform.

When I first arrived at the Department, I made integration of the DHS Intelligence Enterprise a priority. As I noted earlier, we have made progress in integrating our intelligence capabilities through the establishment of the Homeland Security Intelligence Council, publishing the DHS Intelligence Strategic Plan, and conducting the first intelligence program reviews. However, I am concerned by the acute separation between our current status and what needs to be done to reach that goal. I am working with the Secretary to augment the authorities I have received under Management Directive 8110 to help tear down some of the internal walls that prevent some aspects of integration. For example, I am working to gain greater flexibility in moving intelligence resources between programs to be able to rapidly support shortfalls throughout the DHS Intelligence enterprise. I am also working to gain more flexibility in supporting all members of DHS Intelligence Enterprise in recruiting and retention and to make it easier to rotate personnel throughout the DHS Intelligence Enterprise for career development purposes.

While real improvements have been made over the past year for which we are very thankful for the support of the Under Secretary for Management and his facilities team, we still labor in facilities that are not comparable to those of other Intelligence

Community agencies and have limited our analytical and integrative capabilities. In addition, I am certain that the condition of the facilities has negatively impacted our ability to recruit and retain a world-class intelligence professional workforce. While the Department has made strong progress in upgrading our facilities and has identified a long term solution (facilities on St. Elizabeth's that will be tailor made for DHS Intelligence), we are a long way from having facilities on par with our status as a member of the Director of National Intelligence's Program Managers Group.

Conclusion

DHS Intelligence is a modestly-sized program, but we have begun delivering a positive return on that investment – we initiated the first Department-wide basic intelligence course last month ... we have deployed an advance team to El Paso, Texas as part of our Intelligence Campaign Plan to invigorate the integration of the nation's intelligence support to border security ... we are reporting information never before accessible for intelligence analysis and collaborating with partners that previously were not valued as intelligence professionals ... we have significantly improved the quality of our finished intelligence, which is now informing the most senior officials of our government – but there is much work yet to be done in the face of threats as real today as at any time since 9/11.

The disrupted aviation plot of last summer is a grim reminder that international terrorism continues to represent a direct and extremely dangerous threat to the Homeland. The United States and its allies are engaged in a global struggle against a broad range of transnational threats. Our nation's communities face the threat of terrorism, of cross-border violence spurred on by the poison of illicit trafficking in narcotics, and of the diminishment of our humanity by the exploitation of men, women, and children by international criminal organizations.

So let me end my testimony where I began – by restating my pledges to engage State and local participation in the Interagency Threat Assessment and Coordination Group and to ensure DHS Intelligence sets the standard for inclusiveness, access, and collaboration with all of our partners at both the Federal and non-Federal levels and by adding one additional pledge:

I, my Office, and the DHS Intelligence Enterprise along with our Federal, State, local and private sector partners, will be absolutely relentless in the pursuit of excellence; we will deliver more in the future than in the past; and we will never lose sight of the civil rights and civil liberties and of the public that we have sworn to protect. I ask for your support as we seek to honor the pledges we have made to you and to the American people today.