

**Testimony of the Acting Director of Central Intelligence**  
**9/11 Commission Recommendations Regarding**  
**Restructuring the IC**  
**8 September 2004**

Mr. Chairman, as this Committee considers reorganization proposals by the President and the Kean Commission, and the Congress' legislation, I want to speak to the structure and capabilities of the Intelligence Community as it is today, not as it was in 2001. I believe that today's Intelligence Community provides a much stronger foundation than many people realize for whatever changes you decide are necessary. That said, we can still do better, and I will close, therefore, with some thoughts on how these improvements can be accomplished.

## Intelligence Community Today

Three years of war have profoundly affected the Intelligence Community. Since 9/11, our capacity and effectiveness have grown as our resources have increased and as we have addressed issues highlighted by our own internal reviews, the Commission, and others. We have adjusted to new demands, built on successes, and learned from errors. This has been the most dramatic period of change for intelligence in my memory. Some examples:

- Our priorities—the Nation's and the Intelligence Community's—have changed. We are on the offensive against terrorists worldwide, and many of the most dangerous are captured or dead.
- Our practices have changed. Intelligence, law enforcement, and military officers serve together and share information in real time on the front lines at home

- and abroad. Here in Washington, I chair an operational meeting every day with Intelligence Community, military, and law enforcement elements represented. At that meeting we review and act on that day's intelligence, follow up on earlier streams of reporting, and ensure that someone has the responsibility to get the word out to all concerned parties.
- Our worldwide coalition has changed. It is broader, deeper, and more committed. Where terrorists found sanctuary before, they now find our allies working against them—and we are seeing the results around the world.
  - Our laws have changed. The PATRIOT Act has given us weapons in the war that we did not have previously and we have saved lives because of them. The PATRIOT Act gives us access to targets and information that previously could not have been achieved.

- Our institutions have changed. The Terrorist Threat Integration Center enables us to fuse intelligence collected abroad with law enforcement information collected at home. Twenty-six different data networks now flow there and are then shared by officers from the widest array of foreign and domestic intelligence and law enforcement agencies ever assembled in one organization. People who think we can't break down the so-called "stovepipes" need to visit TTIC.

What are the real-world effects of those changes?

Here are a few:

- Many of al-Qa'ida's pre-9/11 leadership are dead or detained, in almost every case taken down as a result of aggressive clandestine human and technical operations, involving effective cooperation among the

various intelligence disciplines and with law enforcement.

- It was imaginative operations and analysis—CIA officers working with the US military—that helped drive armed forces operations and ousted the Taliban from power in Afghanistan, destroying the al-Qa'ida sanctuary in the process.
- CIA, FBI, Treasury, and other partners, at home and abroad, are starving al Qa'ida of its financial lifeblood.
- CIA worked with the FBI as it took down extremists in Lackawanna, Columbus, and New York City.

One area of crucial change is the Intelligence Community's support to the warfighter in Afghanistan and Iraq, where the terrorist challenge remains substantial. I believe such support can and will be preserved under any of the options you consider. Everyone in the Intelligence Community understands that NSA and NGA, both integral

parts of the National Intelligence Community, have a vital role to play in supporting combat—and that role would have to be preserved regardless of who they report to.

In short, the situation has changed dramatically from where the 9/11 Commission left off. Two things, however, are still true: al-Qa'ida and other terrorists remain dangerous; and there still is room for improvement in the Intelligence Community. But the caricature that many seek to perpetuate a Community that does not share information or work together, a Community of turf-conscious people competing for influence—that is not the Community I lead today.

## **Thoughts on Reform**

Looking ahead now, it is important to note that the threat from terrorist organizations is not stagnant. These

organizations learn and adapt. It is not enough for us to keep up, we must anticipate and stay ahead. As we seek to build on the improvements we have made in recent years, we should keep in mind a few of what I call “first principles”:

- First, speed and agility are the keys to winning the war on terrorism, and profoundly important to the nation’s other intelligence challenges. Speed and agility are not promoted by complicated wiring diagrams, more levels of bureaucracy, dual-hatting, or uncertainty about who is in charge. But speed and agility ARE promoted by having the right tools to do the job – such as the essential tools provided in the USA PATRIOT Act.
- Second, form should follow function. The functions intelligence must perform today are dramatically different than during the Cold War. Back then, we focused heavily on large strategic forces and where countries stood in the bipolar competition of the day.

Contrary to what is often said, we long ago moved on to the new challenges of today—locating people, tracking shipments of dangerous materials, and understanding politics down to the tribal level in a world where the only constant is change.

- Third, most important to knowing how and what to change is a consensus on what we want from our intelligence agencies, constancy in resources and moral support for them through good and bad times and patience.
- Fourth, some competition is good. Because intelligence reporting can often be interpreted in many different ways, we want all interpretations on the table and an Intelligence Community that facilitates vigorous, rigorous debate.
- Fifth, our foreign partnerships are critical and serve as a force multiplier in the Global War on Terror. Changes in our structure must ensure there is no harm done in



how we build, manage, and strengthen these invaluable relationships.

Reform must not undo the good work already done—it must be tested against the first principles. I urge the Committee to take the time that it needs to consider the likely impact of the many proposals, intended and unintended.

### **President's Reform Agenda**

As you know, on 27 August the President signed four Executive Orders and two Presidential Directives intended to address several recommendations of the 9/11 Commission.

These measures will strengthen management of the Intelligence Community, establish a National Counterterrorism Center, improve the sharing of terrorism information, safeguard American civil liberties, improve terrorist-related screening procedures, and establish

common identification standards for federal employees and contractors. The President's actions strengthen the foundation upon which you can build. In those Executive Orders, there are significant changes I would like to highlight.

- First, the DCI will have access to all relevant intelligence relating to transnational terrorism and weapons of mass destruction, including information from the FBI and the Department of Homeland Security.
- Second, the President made it clear that the DCI must be able to determine, with the advice of heads of departments or agencies that have an organization within the Intelligence Community, the annual and consolidated National Foreign Intelligence Program budget. This clarifies the DCI's authority over the NFIP, while retaining his existing authority to participate in the JMIP and TIARA processes.

- Third, in establishing the National Counterterrorism Center, the President underscored the government's commitment to create a central and shared knowledge bank on known and suspected terrorists. For the first time, strategic planning for counterterrorism activities, integrating all elements of national power, and integrated all-source analysis will occur in one place, overseen and orchestrated by a director reporting to the DCI.

There are also some important tasks that have been levied upon us, including the following:

- Developing common standards for sharing terrorism information within the Community;
- Setting standards and qualifications for intelligence officers; and

- Reporting on the effectiveness of the National Foreign Intelligence Program and the new National Counterterrorism Center.

We are in the process of charting our way ahead and will be aggressive in implementing the President's directions. These actions affecting intelligence reform are intended as interim measures. The President has reiterated his commitment to work with Congress to achieve even more far-reaching reforms through legislation, beginning with the creation of the National Intelligence Director.

I have argued, and continue to believe, that a significantly empowered DCI could fulfill the spirit of the 9/11 Commission's recommendations. Nonetheless, now that the President has committed to create a National Intelligence Director, my sole interest is in ensuring that such an individual can succeed, and this will require new authorities

and structures. Ideally, a single person responsible for all national intelligence activities should:

- Maintain independence and objectivity as the President's principal intelligence advisor;
- Have full authority to determine, reprogram, and execute all funding for the core national intelligence agencies—CIA, NSA, NGA and NRO;
- Have clear authority to provide strategic direction to these agencies and drive their collection and analytic priorities;
- Have the authorities necessary to reorient intelligence capabilities to meet emerging threats and priorities;
- Have direct access to substantive experts to help fulfill his/her responsibilities as the nation's principal intelligence officer;

- Have the authority to bridge any remaining divides between foreign and domestic intelligence activities in the areas of policy and information technology;
- Have the authority to determine education and professional development standards and personnel management policies and incentives; and
- Ensure the continued synergy that results from the close interaction of operators and analysts.

This, of course, would involve major changes for our intelligence system. It would require additional legislative changes such as a separate appropriation for the NFIP and organizational realignment. Given the heavy reliance on intelligence by DoD, I believe it would be important to codify the National Intelligence Director's responsibility for meeting military intelligence requirements. At the same time, the national intelligence agencies must support the missions of all the other foreign and domestic organizations – such as

State, FBI, Treasury, and Homeland Security – that have vital roles to play in protecting our Nation. I believe a fully empowered National Intelligence Director would be able to strike this important balance.

Let me close by saying that no matter how successfully we anticipate future challenges, we will not foresee them all. So, we will need the ability to adapt our organizations to change, easily and quickly. We will need flexibility in shifting resources, people, and money to respond to shifting priorities. The new Executive Orders and directives are significant steps in the right direction, but cannot effect all of the changes necessary to adapt our Intelligence Community to the challenges of the 21<sup>st</sup> Century.