

**STATEMENT OF CHARLES E. ALLEN,
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BEFORE THE SUBCOMMITTEE ON INTELLIGENCE, INFORMATION
SHARING, AND TERRORISM RISK ASSESSMENT
COMMITTEE ON HOMELAND SECURITY
U.S. HOUSE OF REPRESENTATIVES**

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Introduction

Chairwoman Harman, Ranking Member Reichert, and Members of the Subcommittee: Thank you for the opportunity to appear before you today to discuss the President's Fiscal Year 2009 budget for the DHS Office of Intelligence and Analysis.

I testify before you today to speak to the progress that we have made in building a strong DHS Intelligence Enterprise as well as the challenges we face in the days ahead. As you know, the intelligence mission of my Office flows directly from the mission of the Department itself. The mission of my Office is clear – it is to identify and assess transnational and domestic threats to Homeland security. We provide anticipatory, proactive, and actionable intelligence to support the Department; State, local, tribal, and private sector customers; and the Intelligence Community. The most critical and overarching threat to the Homeland remains terrorism – transnational and domestic – and much of the IC's resources are devoted to this issue. I believe, however, that my Office adds unique value by viewing terrorism through the prism of threats to the Homeland. This holistic perspective allows us to make connections – if and where they exist – between terrorism and other illicit transnational criminal activities. Moreover, these other illicit activities often constitute serious threats to the Homeland, and we must address these as well to support our Departmental mission and to help secure the Nation.

Last year, we developed our first annual integrated DHS Intelligence Enterprise research plan. This drove our flagship publication – the seminal *Homeland Security Threat Assessment* – of which I am very proud. This assessment represents the analytical judgments of DHS *writ large* and assesses the major threats to the Homeland for which the U.S. Government must prepare and to which it must respond. The assessment looks out to 2010 and will be updated annually. Moreover, it provides us an important analytic framework by which we can identify and prioritize our gaps in knowledge and understanding of Homeland threats.

Further, this Enterprise research plan is part of an effort that includes development and publication of monthly Enterprise production plans; collaborative identification of priority collection gaps; coordinated efforts to harvest and extract information of intelligence value, and dissemination of unique DHS intelligence reporting to both our traditional and non-traditional customers; and Enterprise efforts to establish common tradecraft standards based on those delineated by the DNI. Collectively, these efforts demonstrate the significant capabilities a unified DHS Intelligence Enterprise can bring to bear against the threats facing our Homeland.

The Office of Intelligence and Analysis

The principal threats we face today are borderless, global, decentralized, and more dynamic and volatile than ever before. Within the DHS Intelligence Enterprise context, the Office of Intelligence and Analysis continues to build its *core* capabilities while concurrently assessing and proactively staging the capabilities needed to transform DHS

intelligence – to bring our resources, systems, capabilities, and knowledge base into alignment with longstanding and mature Intelligence Community organizations. This two-pronged effort requires resolve and careful timing, but I am convinced we have made significant progress. We have created an intelligence program that is attuned to fluctuations in the homeland security environment and one that is working synergistically across the Department to counter the threats faced by our country.

Enhancing Analytic Focus, Quality, and Collaboration

Since its inception, the Office of Intelligence and Analysis has focused on building its core capacities to deliver high quality intelligence. We worked through the challenges of standing up a new organization with a highly diverse and committed workforce. Within the organization, we have defined, established, and integrated the “Homeland Security intelligence” mission, our unique approach to intelligence, and our knowledge and understanding of widely diverse traditional and non-traditional customer requirements.

Last year I realigned the Office of Intelligence and Analysis’ analytic resources into five elements to focus on the principal threats to the Homeland. In my view, this realignment has improved dramatically the quality of our analysis by honing our focus and pinpointing where we can collaborate with and leverage both our own Departmental skills, knowledge, and resources as well as those of the Intelligence Community. This approach has led to major analytic achievements in my Office and across the DHS Intelligence Enterprise. We now regularly produce high quality Homeland Security intelligence assessments for the Secretary and other Department principals, directly support key Department efforts, such as the Secure Border Initiative (SBI) and the Visa Waiver Program, provide improved and more tailored analyses to State, local, tribal, and private sector, and better complement IC analysis with our own unique perspectives.

As I noted, we now have five analytic thrusts to focus and energize our efforts. The first is ***threats to border security***. We look at all borders – air, land, sea, and virtual – and examine a range of threats, such as narcotics trafficking, alien and human smuggling, money laundering, and other illicit transnational threats. These threats are interwoven and, importantly, can provide potential avenues for terrorists to enter the Homeland. Our initial focus has been the Southwest border, per the Secretary’s priorities. During 2007, Office of Intelligence and Analysis intelligence assessments on worldwide travel vulnerabilities and the potential for extremists, terrorists, and other transnational criminals to exploit travel to the U.S. raised decision maker awareness of U.S. border security concerns – an area previously under-reported in Intelligence Community channels. We also continue to be the only Intelligence Community organization looking at U.S. borders holistically. A key example of this is our Southwest Border Threat Assessment, which underscores the range of issues threatening border security as well as their potential nexus to terrorism.

My office’s Intelligence Campaign Plan (ICP) is expanding DHS intelligence capabilities focused on border security by forward-deploying intelligence officers to key border intelligence centers and augmenting border threat analysis, requirements, and classified

communications infrastructure. This year, I deployed the first Homeland Intelligence Support Team (HIST) officer to El Paso, Texas, to provide direct intelligence support and information fusion to front-line operators and agents along the border. The HIST will be staffed with an integrated team of intelligence professionals responsible for identifying the intelligence needs of our border agencies, ensuring that information is coordinated with multiple Federal and local agencies, and facilitating the use of national intelligence resources to support them. The team also will ensure that critical Homeland Security information is appropriately shared with key mission partners external to DHS.

In addition to our HIST in El Paso, as part of our expanding reports officer program, we are deploying reports officers at various cities along the southwest border to provide our operators with situational awareness and information support. The reports officers and the HIST will be coordinating their activities with the SBInet Program Office to fuse information, analysis, and technology to provide new strength to border security efforts. Our border agents are on the line every hour of every day, and the ICP, HIST, and reports officer deployments exist to support their needs.

The office's reports officer program is key to supporting DHS operating elements, the DHS Intelligence Enterprise and the IC – and I have made significant investments in it. It is improving the Department's ability to move information with intelligence value that is gathered by DHS operating components throughout DHS and to other Federal agencies, to our non-Federal stakeholders, and to the Intelligence Community. I also have been expanding our reporting capabilities through reports officer training of headquarters, field intelligence, and selected operational personnel. Over the last calendar year, we have increased our Homeland Intelligence Report (HIR) production from 2,000 to nearly 3,100 HIRs. These unique, unevaluated reports provide the larger Intelligence and Homeland Security Communities with a trove of information that in previous years went unharvested and unevaluated.

A second analytic element in my Office is dedicated to assessing the *threat of radicalization and extremism*. Our top priority is radicalized Islam (Sunni and Shia groups); however, we also look at radicalized domestic groups; to include white supremacists, black separatists, and fringe environmentalists. We do not monitor known extremists and their activities; instead, we are interested in the radicalization process – why and how people are attracted to radical beliefs and cross the line into violence. We are using non-traditional intelligence and working closely with our state and local partners to leverage their insights and expertise to build a baseline of radicalization that leads to ideologically-based violence in their localities. From this baseline, we plan to develop an integrated framework for tracking a radical or extremist group's risk for terrorism and assisting policy makers in developing strategies to deter and prevent it.

As a complement to our efforts to look at threats inside the Homeland, such as radicalization, we further are collaborating with our DHS Operating Components to focus on a third analytic element, potential *threats from particular groups entering the U.S.* – groups that could be exploited by terrorists or other “bad people” to enter the Homeland legally or to bring in CBRN or other materials. We further focus on travel-related issues

of interest to the Department, such as visa categories and the Visa Waiver Program. Our key intelligence sources are the data that our Components gather in their daily operations. DHS Intelligence never before has pursued such an effort – one that is important to support the Department, our state and local partners, and the Intelligence Community. Last year, for example, Office of Intelligence and Analysis analysts assessed factors in global instability that are driving migration to the Homeland – a phenomenon potentially exploitable by terrorists. Office of Intelligence and Analysis analysts also led a key effort last year in developing the U.S. Government’s security screening program to vet prospective Iraqi refugees entering the U.S.

A fourth analytic element assesses ***threats to critical infrastructure***, both private sector and state owned and operated. We are enhancing our existing analytic efforts in partnership with the DHS Office of Infrastructure Protection in a center – the Homeland Infrastructure Threat and Risk Assessment Center, or HITRAC – to assess terrorist threats to and vulnerabilities in the 17 critical infrastructures identified in HSPD-7. We have completed a baseline assessment for every sector; last year, we completed, from a geographical (vice sector) perspective, 56 State and territory threat assessments – the first ever infrastructure intelligence threat assessments for each State and territory in the Union – to support State and local requirements on terrorist and other threats to U.S. critical infrastructure. The Office of Intelligence and Analysis engaged State and local partners in working groups to review and contribute to these assessments, as well as delivered tailored briefings to a wide range of State, local, and private sector customers to enhance their awareness and understanding of the threats.

The last analytic element, but certainly not the least, supports a full range of customers on ***chemical, biological, radiological, and nuclear (CBRN) threats***. We focus on the threat from improvised nuclear devices (IND) and radiological dispersal devices (RDD), or “dirty bombs.” We are also developing a major effort on bioterrorism threat analysis to support the Department’s role to deter bioterrorism in the Homeland. In the bioterrorism area, we are emphasizing the threat of infectious diseases – such as avian influenza -- to support the Department’s role in pandemic preparedness. Our concerns do not end with infectious human diseases, however, but include infectious animal diseases that could devastate our economy, and we are developing expertise in this area.

Equally important is the fact that we have demonstrated the value of Homeland Security intelligence by contributing regularly – individually and collaboratively – to the President’s Daily Brief and the National Terrorism Bulletin. We also have developed key new product lines – such as the Border Security Monitor, CubaGram, Cyber Security Monitor, and Infrastructure Intelligence Notes, as well as a much-demanded, rapid turnaround publication for State and local customers – our Chief Intelligence Officer Notes. These product lines respond to the demand for breaking, emerging, and quickly evolving information updates on foreign and domestic threats and incidents with a potential impact on Homeland Security and principally respond to the concerns of our non-traditional customers – Homeland Security operators and policy makers as well as Federal, State, local, tribal, and private sector partners – for tailored, timely, and actionable intelligence.

Sharing Information and Quality Analysis across the Homeland Security Operating Environment

Across this land, the “seamless community of intelligence professionals,” which I described to you last year, is expanding. Over the last year, DHS Intelligence continued to set the standard for integration by solidifying productive, collaborative relationships with traditional intelligence professionals; operational and law enforcement intelligence professionals; and State, local, tribal, and private sector intelligence professionals. As you know, all members of this community are equally essential to its success – the threat is too decentralized and complex to be destroyed without the full engagement of the community as a whole.

Our success rests on our collective abilities to share information, collaboratively fuse this information into a clear threat picture, cooperate to fill the gaps in understanding the threat, and communicate the threat to the right stakeholder at the right place and time. As mandated by the Congress, my Office leads information sharing efforts across all of DHS. Working with the Program Manager – Information Sharing Environment (PM-ISE), I continue to create and implement the framework for the DHS information sharing environment.

Last year, the Department also improved substantially the foundation for its Congressionally-mandated Information Sharing Environment by establishing the information sharing governance structure and improving information sharing processes and products, such as the Data Asset Catalog. On behalf of the entire Department, the Office of Intelligence and Analysis is leading the development of the DHS Information Sharing Environment framework. A critical element of this framework is the information sharing governance structure. We established the three-tiered structure to represent all DHS components and enable us to speak with “one voice” to our external partners. The Information Sharing Governance Board (ISGB), which I chair, is the decision-making body on all DHS information sharing and collaboration issues. The DHS Information Sharing Coordinating Council (ISCC) is the implementing body for Department-wide information sharing matters, and supports the ISGB. As part of this structure, we are building “shared mission communities” – such as law enforcement – to provide a community-based forum to address barriers to information sharing and resolve issues which resonate across a shared mission. This allows us to ensure that while we address policy and technology aspects of information sharing, we’re also building a culture of collaboration.

DHS also is addressing requests from the Intelligence Community for access to DHS information. The Office of Intelligence and Analysis has been working with DHS Components and our Intelligence Community partners to remove information sharing barriers and develop a standardized approach to information sharing using Information Sharing and Access Agreements (ISAA), in order to facilitate external requests for DHS information. We are also creating Shared Mission Communities (SMC) to align component activities according to shared missions in an effort to increase efficiency and

transparency across agencies; remove barriers to information sharing – both real and perceived; and develop a culture of information sharing and collaboration. The first SMC, the Law Enforcement Shared Mission Community (LE-SMC), has brought all of the DHS law enforcement components together to address information sharing opportunities and to build a coordinated approach to information sharing. Other SMCs, including critical infrastructure, border security, and transportation, will follow. Through this framework, we have increased our momentum in implementing the Secretary’s “One DHS” vision for improving information sharing – contributing to a more integrated DHS and ensuring the timely and efficient access of information between mission partners.

The Office of Intelligence and Analysis has continually *expanded its outreach, both within the Department and outside the Department to support state and local partners*. As a key cornerstone of our outreach efforts, my office has deployed 22 representatives, and will be deploying more to reach 26 by the end of FY08. As the Chief Intelligence Officer in DHS, I have been uniquely challenged in developing a program that not only is consistent with the expectations of the twenty-two different areas within the Department of Homeland Security, but also meeting the needs of our Federal partners, and most importantly meet the needs of the State and local customers for which the program was developed.

The partnerships the Office of Intelligence and Analysis has nurtured in the State and Local Fusion Center Program Management Office are demonstrably successful when one considers the enormity of the task. The first area the Office of Intelligence and Analysis needed to bring partners together in the program’s creation were internal, meaning the divisions within the Office of Intelligence and Analysis, whose resources would be stretched to support such a program. The Office of Intelligence and Analysis has developed a group of leaders from within each major area of the Office and worked with them to create a program that would work across any parochial mission areas and not interfere with existing work already being conducted with our State and local partners. The success of these endeavors is best summed up in an excerpt from a letter sent to Secretary Chertoff by the Los Angeles Chief of Police William Bratton. Chief Bratton wrote, “I would like to personally thank DHS, and specifically, I&A [the Office of Intelligence and Analysis], for taking our partnership to the next level and look forward to reading future joint intelligence products that highlight our shared interests as we work to protect and secure America.” Sherriff Bob Alford of Johnson County, Texas, echoed this spirit when he stated, “We very much appreciate the information that is passed along to our agency. It has been very beneficial in helping to stop rumors going around the county, keeps us informed as to any threat to our county and is the first time in my career that we have received regular and frequent information from the Federal Government.”

Clearly, our information gathering, reporting, and analytic efforts would be undercut dramatically without a *functional information technology and knowledge management backbone and structure*. Recognizing this, last year we created the Homeland Secure Information Network (HSIN)-Intelligence, a secure but unclassified portal, to distribute unclassified DHS and State and local intelligence to Federal and non-Federal analysts and customers. We further developed a virtual analytic community of interest with our State

and local partners – the Homeland Security State and Local Intelligence Community (HS SLIC) – on the HSIN–Intelligence portal and last year sponsored analytic conferences on radicalization, weapons of mass destruction (WMD) threat detection and prevention, and border security. Each of these three collaboration activities brought together – and HS SLIC continues to bring together – over 100 analysts from across the country. Such efforts result in an enhanced shared analytical understanding between DHS and other Federal, State, local, and tribal agencies; a greater ability to assess threats via multi-level government participation, meshing domestic on-the-ground knowledge with overseas intelligence; and increased intelligence sharing with our Homeland Security partners such as governors, homeland security advisors, private sector owners and operators, and State, city, and county officials.

While the Office of Intelligence and Analysis continues to expand our reach we continue to realize the need to bring the customers in during the program’s growth to ensure their voice was heard as the program matures. Per the recommendation of Congress we have established a Law Enforcement Fellowship program that will soon be receiving its third candidate this year. The Office of Intelligence and Analysis has also worked with many Federal partners and advocacy groups simultaneously to expand the Fusion Center Guidelines. This requires balancing the interest of many parties and ensuring that work is not allowed to be stalled by the parochial interest of any one participant. I believe this success was recently demonstrated when both OMB and the House and Senate appropriators doubled the program’s baseline in only its second year of existence.

Further, we are *streamlining and merging disparate classified networks* into a single, integrated network – the Homeland Secure Data Network (HSDN) – to help increase the sharing of intelligence and other information securely to fulfill its homeland defense mission. Homeland security leaders envision that HSDN will become the major secure information thoroughfare joining together intelligence agencies, law enforcement, disaster management, and front-line disaster response organizations in the common goal of protecting our nation and its citizens. We are actively deploying HSDN internally and to our State and Local partners. We have a program to ensure relevant information is made available on these networks.

As the Undersecretary for the Office of Intelligence and Analysis I work on a daily basis to influence the State and Local Fusion Center Program Management Office’s direction on a national level. The Office of Intelligence and Analysis conducts its work with our partners mindful of the very strong concerns of our citizens over the protection of civil rights, civil liberties and privacy at all levels of our relationship. As this committee is aware, the Office of Intelligence and Analysis continues to be a principal supporter of the Fusion Center National Conference at which nearly five-hundred State and local intelligence leaders will be present along with many of our federal partners. In total nearly eight-hundred people including you Madame Chairwoman will be in attendance. This is nearly a twenty-five percent increase in participation over last year. In very real terms the Office of Intelligence and Analysis faces the task of maintaining these very important relationships on a daily basis and actively influences policy concerning this

program at senior levels of Government. I remain committed to the program and our State and local customers as we move forward in this mutually beneficial relationship.

Interagency Threat Assessment Coordination Group (ITACG)

A major emphasis of the Office of Intelligence and Analysis has been the establishment of the Interagency Threat Assessment Coordination Group (ITACG), which has been stood up under the management of the National Counterterrorism Center (NCTC) to help us meet the information needs of our State, local, and tribal partners. I have provided two senior officers from the Office of Intelligence and Analysis, along with two officers provided by the FBI, to lead the stand-up of this organization. I am extremely pleased to report that the ITACG achieved Initial Operating Capability (IOC) on 30 January 2008 and that current staffing requirements have been met. In total, four federal and four state personnel, as well as contractor officers, are working in dedicated spaces with essential systems connectivity in NCTC.

The ITACG has already begun providing valuable input to intelligence products disseminated to State and local organizations, and its personnel regularly attend NCTC meetings and are engaged in NCTC production processes and activities critical to serving non-Federal customers. Since stand-up operations began on 23 October 2007 under DHS day-to-day leadership, the ITACG has reviewed more than 25,000 finished intelligence products. From that review, the ITACG identified products that meet State and local needs, and has already disseminated many of them to State and local officials. Since 23 October, the ITACG also has reviewed 1,576 separate reports on worldwide threats to U.S. interests, identifying 69 of these as possible threats to the Homeland. Further review by the ITACG revealed five reports of questionable credibility, two of which required better characterization of the threat or source. As a direct result of the ITACG's efforts, DHS and the FBI refined our characterization of the threat and released joint reports on the two cases noted above requiring further threat detail.

We have also established the Advisory Council to the ITACG, which I head on behalf of the Secretary that will meet for the second time tomorrow. I have set an ambitious agenda, centering on our discussion of a number of priority challenges that we all expected the fledgling group would encounter – from recruitment of State, local, and tribal personnel; to establishing a formal mechanism and feedback process for State, local, and tribal customers, who will be key to strengthening the ITACG's value and evaluating its success. I am confident that DHS, FBI, and NCTC in collaboration with the ITACG Advisory Council and ITACG personnel will work closely together – not only to ensure that the ITACG meets the letter and spirit of statutory obligations vis-à-vis State, local, and tribal needs, but also to synchronize and harmonize Intelligence Community support to our State, local, and tribal partners.

The Role of the Undersecretary in Integrating the Enterprise

I am grateful for your support to my Office in the *Implementing Recommendations of the 9/11 Commission Act of 2007*. The "9/11 Act" elevated my position to an Under

Secretary, effectively codifying the authorities previously conferred on me by the Secretary. I now have an even greater responsibility – under the law – for integrating the activities of the Component intelligence organizations of the Department. My goal is to ensure that we are efficient and effective in our approach toward inculcating a common intelligence culture.

Passage of the 9/11 Act, and within it, the creation of the Under Secretary for Intelligence and Analysis, displayed farsightedness on the part of this Subcommittee. The 9/11 Act underscored the need for a robust and integrated intelligence and information sharing program within DHS. Using existing Intelligence Enterprise governance and oversight mechanisms, I have been laboring to evaluate and refine the direction, efforts and resources necessary to implement its objectives. Appropriate resourcing is fundamental to our success, and DHS will be assiduous in ensuring that we are extraordinarily efficient and effective in the use of our appropriated resources. I encourage the Subcommittee to recommend that the DHS intelligence program be adequately resourced to fulfill the laudable objectives of the 9/11 Act.

As the Chief Intelligence Officer of the Department, I created in 2006 the Homeland Security Intelligence Council (HSIC), providing a venue for all DHS Intelligence Enterprise leaders to discuss issues and collectively make decisions of consequence to the entire Enterprise. Under my authorities, I conduct annual DHS intelligence program reviews and work with the DHS Office of Policy and the Chief Financial Officer to issue intelligence guidance as part of our resource planning and programming cycle. I am now required by law to present a consolidated DHS intelligence budget to the Secretary. The program reviews provide the analysis and insights necessary for me to identify comprehensively for the Secretary the requirements and activities of the DHS Intelligence Enterprise. These reviews also show me how to streamline and structure departmental activities to leverage efficiencies of scale and eliminate unnecessary programmatic duplication. This year, I hope to expand and diversify beyond annual program reviews to include periodic, focused, issue-based evaluations of smaller component intelligence activities throughout the entire year.

I have been guiding our program and budget efforts toward the creation of a Homeland Security Intelligence Program (HSIP) to manage the department's non-national intelligence programs that contribute to homeland security intelligence collection and analysis. The HSIP will encompass the resource planning, programming, and budgeting activities of all members of the DHS Intelligence Enterprise. I have been laying the groundwork to implement the HSIP for the last two years through the collaborative leadership of the HSIC, the Homeland Security Intelligence Integration Board (HIIB), the Intelligence Career Force Management Board (ICFMB), and the Intelligence Systems Board (ISB). I believe DHS is now well-positioned to establish a standardized basis for how the DHS Intelligence Enterprise conducts its activities, and fully bring into practice the goals envisioned in the 9/11 Act. The HSIP will allow the Department, through the Chief Intelligence Officer, to more effectively and efficiently provide oversight and direction to all DHS intelligence resource planning, programming, and budgeting in a concerted fashion to better ensure that all elements of DHS are properly resourced,

equipped, and collaborating to maximize fusion and analysis of homeland security intelligence data collected. Over the next year, I will continue to establish policies, procedures, standards, and other guidelines to implement the HSIP in conjunction with the Chief Financial Officer, the Office of Policy, and the HSIC.

Furthermore, as a member of the Intelligence Community and in my role as the Program Manager for the DHS National Intelligence Program, I participate in the DNI's Executive Committee. As an active member of this Committee, I ensure that the intelligence needs and capabilities of the DHS Intelligence Enterprise, State and local officials, and private sector owners and operators are a tightly woven, integral part of the fabric of Intelligence Community planning and requirements.

I continue my efforts to recruit and develop an outstanding workforce and retain high performers by investing in a strong training, education, and professional development program. Without appropriate training and education, the DHS Intelligence Enterprise will operate neither as a culture nor as a unified work force. Thus, I have made it a cornerstone of my efforts with the HSIC to develop and institute training programs that serve the entire Enterprise as well as our State and local partners. The first two iterations of the six-week Basic Intelligence Threat Analysis Course were conducted last year, and the third iteration is under way as I sit here before you. This key milestone of the DHS Intelligence Enterprise Education, Training, and Professional Development Strategy provides basic level intelligence training to new intelligence analysts and to State and local personnel who are customers of DHS intelligence. This year, I will begin development of a complementary Mid-level Intelligence Threat Analysis Course. We have made significant progress in establishing a strong collection requirements and management program, building an 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 its law enforcement authorities.

The President's FY09 Budget Submission

Now I would like to address how the President's FY09 budget submission supports the Office of Intelligence and Analysis efforts. First, I am pleased to inform you that the '09 budget submission includes funding for seven critical areas that will allow the Office of Intelligence and Analysis to bolster and sustain its core missions and further integrate the DHS Intelligence Enterprise: State and Local Fusion Center deployments; intelligence analysis; intelligence requirements, collection, and dissemination; integration planning; information sharing; outreach; and mission support. In each of these areas, as I have sought to demonstrate throughout this testimony, we have made much progress. Still, we have much work ahead to accomplish.

The President continues his commitment to a national fusion center network that is already demonstrating results by providing the Office of Intelligence and Analysis with additional funds to expand its representation at State and Local Fusion Centers (SLFC) across the country. The FY09 budget will enable the Office of Intelligence and

Analysis to deploy additional intelligence analysts and HSDN connectivity to SLFCs, provide security awareness training to SLFC personnel accessing sensitive Federal information, more robustly conduct privacy and civil liberties awareness and protection training, and continue the Office of Intelligence and Analysis' efforts to provide intelligence support to the SLFCs from headquarters. I am encouraged by Congress' continuing support to the State and Local Fusion Center Program Management Office and look forward to working with them to fully fund the program in FY09 in order to meet both the President's goals and objectives and the requirements of the 9/11 Act. I must also be mindful that this direct customer support requires a robust analytical and support engine behind it to remain successful. I am eager to work with the legislative branch to ensure all levels of State and local support are funded at the President's Request level to ensure the continued success of the national network of fusion centers.

The FY09 budget provides additional funds to hire more WMD analysts within the Office of Intelligence and Analysis. These analysts will focus on WMD-related threats to the U.S. and provide the Office of Intelligence and Analysis with greater access to a critical source of WMD threat information, Project ARGUS, and the robust streams of human and animal biosurveillance data available from around the globe.

These analysts also will contribute to a core Office of Intelligence and Analysis mission – integration of the Intelligence Enterprise – by working closely with analysts from other DHS Component intelligence organizations to develop timely, tailored, and actionable, homeland-focused public health and medical intelligence products for our Federal, State, local, tribal, and private sector partners. They will further help to institutionalize my Office's relationships with other Departmental partner organizations, such as the Domestic Nuclear Detection Office, Science and Technology Directorate, National Preparedness and Protection Directorate, and the Office of Health Affairs.

In addition, these analysts will support the expansion of the Office of Intelligence and Analysis' ability to identify foreign persons posing a WMD threat who are coming to the U.S. or are already here. This expansion effort will facilitate the full analysis and screening of such persons in order to advise the law enforcement community and the Intelligence Community on potential WMD-related threats to the Homeland.

The FY09 budget for intelligence requirements, collection, and dissemination will allow the Office of Intelligence and Analysis to hire additional personnel to support the acquisition and reporting of all unevaluated component information of potential intelligence value to Federal, State, local, tribal, and private sector entities that have responsibilities relating to the security of the Homeland. With these additional personnel, DHS will be able to increase its ability to acquire all threats/all hazards information available through the State and Local Fusion Centers (SLFC). The reports officers will be trained on how to handle law enforcement information to ensure it is appropriately protected, and that departmental records and databases are reviewed within statutory and regulatory prescriptions. This activity supports the Office of Intelligence and Analysis' core mission of sharing relevant information across the DHS Intelligence Enterprise and the Intelligence Community.

The President's budget will also provide increases for the Office of Intelligence and Analysis' open source (OSINT) research and analytic capabilities, recognizing the intelligence value of information that is freely found in the public domain. This increased capability will allow the Office of Intelligence and Analysis to conduct OSINT research, acquisition, collection management, content management, and knowledge management to increase the quantity of relevant OSINT provided to our customers. Exploiting this type of information complements the broader Intelligence Community's open source investments and allows DHS to better serve Federal, State, and local customers.

These new initiatives – along with the maturation of DHS' Integrated Collections Strategy and fused approach to intelligence, surveillance, and reconnaissance – will improve the Department's responsiveness to the needs of our internal and external partners.

Overall, the President's FY09 budget request sustains Office of Intelligence and Analysis investments in information sharing – the lynchpin of Enterprise Integration and Homeland Security outreach. The Office of Intelligence and Analysis will further develop the enterprise architecture and expand 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 among 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 For Official Use/Sensitive But Unclassified levels, will enhance our information sharing relationships with State, local, tribal, and private sector partners.

Through an Integrated Product Team, we are fully engaged with the DHS Science and Technology (S&T) Directorate and other Departmental components 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.

As Chief Intelligence Officer, and now as Under Secretary, I have initiated many programs within the Office of Intelligence and Analysis critical to the security of our Nation. Activities such as the National Immigration Information Sharing Operation, the National Applications Office, media exploitation, reports officers, and State and Local Fusion Center representatives are either providing or poised to provide broad access to unique DHS information. We must invest in the support network that allows all of these programs to function effectively. As an Under Secretary reporting directly to the Secretary, I must capably manage taskings, people, and funding; ensure laws and federal regulations are strictly adhered to; and create programs and policies to integrate the DHS Intelligence Enterprise. As intelligence activities within DHS expand, the Office of Intelligence and Analysis must realize a commensurate increase in staff capabilities to provide adequate organizational support and oversight. ***The FY09 budget will allow me***

to hire qualified personnel to provide mission support in areas such as budget, human capital, and administration.

Further, as the complexity of the Office of Intelligence and Analysis' operations has grown so has the need for statutory and regulatory guidance. To this end, *the FY09 budget will also allow me to hire needed attorneys and program managers to ensure the Office of Intelligence and Analysis strictly observes all U.S. laws, regulations, and policies that protect privacy, civil rights, and civil liberties.* Additional personnel will also be used to more effectively implement and monitor Office of Intelligence and Analysis operations, programs, resources, and performance.

Conclusion

Members of the Subcommittee, I want to convey to you my personal sense of urgency and commitment to the mission we all share – ensuring that DHS has the intelligence capability to address threats to the Homeland. The United States and its allies are engaged in a global struggle against a broad range of transnational threats. DHS Intelligence is a modestly sized program, but the budget before you reflects this urgency. The Office of Intelligence and Analysis budget request will enhance departmental intelligence capabilities to address the “complex and dynamic threats” outlined in the President’s *National Strategy for Homeland Security* and continue the process of integrating the DHS Intelligence Enterprise, as mandated in the 9/11 Act.

As always, I welcome the opportunity to appear before this Subcommittee to share our key accomplishments and review the major funding priorities in FY 2009. These priority areas are vital to advancing DHS Intelligence to where it should be. Overall, the realization of a national homeland security intelligence community rests on addressing these areas. The Office’s challenge in Fiscal Year 2009 is to aggressively pursue DHS Intelligence and Analysis’ evolution and to maximize budgetary resources to build on our capabilities and sustain an inclusive partnership of equals to meet our critical mission of protecting the Homeland.

None of us – whether at the Federal, State, local level, or in the Intelligence Community – can unilaterally predict the threat, warn our stakeholders, and take action to mitigate the risks. Our success depends on our ability to work together, while never losing sight of the privacy and civil liberties of the public that we are sworn to protect. We are constantly besieged by enemies, foreign and domestic, which require perpetual awareness to mitigate the myriad threats. Our success in protecting our nation’s security depends on how relentlessly we collaborate.

Thank you and I look forward to your questions.