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Hearing before the House Homeland Security
Committee's Sub-Committee on
Intelligence, Information Sharing and Terrorism

"An Interagency Threat Assessment
Coordination Group (ITACG)
Progress Report"

Statement for the Record
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Acting Director, National Counterterrorism Center (NCTC)

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U.S. House of Representatives

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Chairwoman Harman, Ranking Member Reichert, Members of the Committee, thank you for the invitation to offer my assessment of the Interagency Threat Assessment Coordination Group (ITACG).

I am pleased to be accompanied today by the Program Manager for Information Sharing Environment (PM-ISE), Ambassador Thomas E. McNamara, Mr. Wayne M. Murphy, Assistant Director of the FBI's Directorate of Intelligence, and Mr. Charlie Allen, DHS Under Secretary Office of Intelligence and Analysis.

The Interagency Threat Assessment and Coordination Group (ITACG) brings Federal, State, local and tribal intelligence and law enforcement personnel together to enhance information sharing between the Intelligence Community, State, local, tribal, and private (SLTP) partners. NCTC is focused on meeting the ITACG statutory purpose of "integrating, analyzing, and assisting in the dissemination of Federally-coordinated information within the scope of the information sharing environment, including homeland security information, terrorism information and weapons of mass destruction

information, through appropriate channels identified by the ITACG Advisory Council."[1]

The ultimate goal, of course, is to better protect the homeland against terrorism through increased information sharing. In our vision, the ITACG will complement, but not supplant, the intelligence production and information sharing efforts of the Department of Homeland Security (DHS), the Federal Bureau of Investigation (FBI), and other executive departments and agencies. Today, I would like to address three principal areas: ITACG operations, improving information flow to SLTP partners, and some of the challenges we expect to face in this area in the coming months and years.

ITACG OPERATIONS

The ITACG, established both by Presidential order in December 2006 and by Statute in August 2007, reached initial operating capability at the National Counterterrorism Center (NCTC) in October 2007. ITACG advocates for Federal and non-Federal partners, without duplicating, impeding, or otherwise interfering with existing and established counterterrorism roles, and responsibilities.[2] In its role of providing support to non-Federal partners, the group identifies reporting of potential interest to SLTP partners, ensures that the message is cast appropriately, and that the information is disseminated. In its role of providing support to Federal partners, the ITACG provides the State, local, and tribal perspectives to the Intelligence Community, and brings non-Federal information to Federal analysts. These actions are intended to increase the probability of appropriate responses to genuine terrorism threats, while diminishing the possibility of disproportionate reactions to terrorism incidents of low or questionable credibility.

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[1] Public Law 110-53-Aug. 3, 2007 Implementing Recommendations of the 9/11 Commission Act of 2007
[2] Guideline 2 – Develop a Common Framework for the Sharing of Information Between and Among Executive Departments and Agencies and State, Local, and Tribal Governments, Law Enforcement Agencies, and the Private Sector

A "learn by doing" strategy has been implemented whereby ITACG members interact with elements throughout NCTC and across the Community on behalf of non-Federal partners. And although we continue to learn, ITACG is already fully participating in appropriate interagency fora, reviewing analytical products, ensuring appropriate context, adding comment, facilitating dissemination and, in general, serving as the eyes and ears for State, local and tribal constituents. Our approach to ITACG operations has three core components: (1) ITACG access to a broad range of Federal counterterrorism information; (2) ITACG participation in production of alerts, warnings, and situational awareness reporting for SLTP partners; and (3) ITACG participation in production of finished, "foundational" intelligence for SLTP partners. I address each of these three areas in greater detail below.

1. ITACG access to a broad range of Federal counterterrorism information

A key aspect of the ITACG role is to identify and promote effective dissemination of intelligence products at the lowest possible classification. A foundational aspect of this responsibility is that the ITACG representatives have access to a broad range of Federal counterterrorism information. This has been fully accomplished.

The Group—regardless of whether the individual is from a Federal, state, or local agency—has broad access to top secret, special compartmented, collateral, and unclassified Intelligence Community and Federal Law Enforcement systems, databases,

reporting, and analysis. This includes access to native DHS, FBI, and NCTC systems.

This inclusive access enables the ITACG to review terrorism information, and thereby

facilitate its release to SLTP partners.

This access to information systems and sensitive databases is further enhanced by the

ITACG's attendance at daily Intelligence Community and Law Enforcement briefings.

Of note, I would point out that an ITACG representative sits just a few feet from me as I

chair the daily, 8 a.m. U.S. Government-wide secure video teleconference that includes

18 different offices—to include the FBI, DHS, CIA, Terrorist Screening Center,

Department of Defense, National and Homeland Security Councils, and many others. In

addition, the ITACG participates in the FBI Counterterrorism Watch shift change, the

National Joint Terrorism Task Force brief, as well as other similar events.

This high level of access permits ITACG to monitor the assessments made, and actions

taken, by the National Intelligence Community and Federal Law Enforcement in response

to terrorism-related activities. In addition, and perhaps more important, ITACG can

subsequently—as in fact it already has—propose adjustments or additional actions on

behalf of SLTP partners, understanding that those decisions regarding what DHS, FBI, or

other Executive Departments and Agencies communicate and how to do so, remain

exclusively with those organizations. Of note, ITACG recently identified a threat item

which may have caused undue concern at the state and local level, given the source and

content of the reporting. ITACG reached out to Federal partners and recommended

further scrutiny of the threat and source. The product was redrafted, taking ITACG's recommendations into consideration, and delivered to state and local officials.

2. **ITACG participation in production of alert, warning and situational awareness reporting for SLTP partners**

The ITACG works with DHS, FBI, and NCTC during the drafting phase of counterterrorism "alert, warning and situational awareness" reporting. This early collaboration ensures that terrorism-related products are relevant to SLTP partners, account for the non-Federal perspective, provide suitably characterized source descriptions, and assess the reliability of the information. The intent is to properly qualify reporting which should assist our State, local, and tribal partners in taking the most informed course of action possible in response to threats to their jurisdictions.

More specifically, a proposal is in front of the ITACG Advisory Council for ITACG to participate in the drafting of a "just the facts" timely product —wherein DHS, FBI, and NCTC alert our non-Federal partners of a significant event, within hours of its occurrence. These "just the facts" reports are planned to be produced at the lowest possible level of classification— "UNCLASSIFIED and FOR OFFICIAL USE ONLY." If these events have an international terrorism nexus, then these products would be the first of many NCTC products being produced and provided to our non-Federal partners.

Also I would like to note that the ITACG members will be co-authoring NCTC's daily SECRET-level situational reports (NCTC Secret SITREPs) which will highlight, every 24 hours, significant terrorism-related reporting for our State, local and tribal partners. In disseminating these products, SLTP partners will—albeit at a lower level of classification—be provided with the same situational awareness reporting that is currently relied upon by Federal officials.

3. **ITACG participation in production of finished, "foundational" intelligence reporting for SLTP partners**

ITACG reviews counterterrorism, homeland security, and weapons of mass destruction finished intelligence—that which might be considered key "foundational" intelligence that is not related to a particular breaking event—to ensure that such intelligence speaks to, and can be accessed by, SLTP partners. More specifically, the ITACG helps to identify reporting of potential interest not already available to SLTP partners, proposes language for the benefit of SLTP consumers of intelligence, and facilitates the "classification downgrade" and broadest possible dissemination of such products. In many cases, this may include disseminating reports which have terrorist tactics, techniques, and procedures that are beneficial to law enforcement, infrastructure security, and first responders. Of note, ITACG serves this function for both NCTC-specific products, as well as products from other parts of the Intelligence Community.

In addition to their involvement with disseminated intelligence products, the ITACG coordinates with intelligence directorates at DHS, FBI, and NCTC, during the initial production phase, enabling the ITACG to provide the state and local perspective to Federal intelligence products prior to dissemination.

With respect to the broad range of finished intelligence produced by NCTC, ITACG reviews all NCTC products and identifies their suitability for broader dissemination. To assist ITACG, our analysts in the Directorate of Intelligence identify and downgrade highly classified assessments to a more manageable secret level via the NCTC Terrorism Information Product Sharing (TIPS) product line. These TIPS are subsequently disseminated at the SECRET, CONFIDENTIAL, and UNCLASSIFIED/FOR OFFICIAL USE ONLY levels, depending on the nature of the material and the utility of lesser classification.

With respect to finished intelligence produced by Intelligence Community components *other than* NCTC, ITACG works on my behalf in my role as the DNI's Counterterrorism Mission Manager. In this regard, the ITACG reviews and comments on DHS and FBI terrorism and homeland security-related products to offer their perspective on how those products might best serve SLTP partners. In addition, and on a daily basis, ITACG reviews in excess of 400 intelligence reports from throughout the Intelligence Community—to include CIA, DOD, and others. Finally, the group also works with the Intelligence Community's primary analytic coordination team that NCTC manages, the

Interagency Intelligence Committee on Terrorism (the IICT), to identify new topics of

interest or re-visit previous topics of particular interest to State, local and tribal partners.

IMPROVING SLTP PARTNER ACCESS TO COUNTERTERRORISM

INFORMATION

Having information access and participating in the production of situational awareness

reporting and finished intelligence is only a part of the ITACG's challenge. For

regardless of how much intelligence is "pushed" by the ITACG and our interagency

partners at FBI and DHS, it is only helpful if it can be accessed by SLTP partners. In this

regard, UNCLASSIFIED/FOR OFFICIAL USE ONLY products are vital. But these

products, by their very definition, cannot delve into sensitive information. And for these

sensitive products—generally classified at the SECRET and CONFIDENTIAL levels—

we must continue to improve delivery to SLTP partners.

In this regard I cannot overstate the importance of NCTC Online Secret (NOL(S)). From

my perspective, NOL(S)—a secure, classified website designed to mirror the Top Secret

version that is used broadly by Federal officials—is a, if not *the*, key access point to

counterterrorism information for SLT. I believe this because we have been told

repeatedly by senior SLT officials that the information already contained on NOL(S)

meets the vast majority of their counterterrorism needs. Thus, from my perspective, we

must increase the utility of NOL(S) as well as increase SLT awareness of NOL(S). I

believe that ITACG must play a key role in both endeavors.

With respect to increasing the utility of NOL(S), ITACG is spearheading an effort to overhaul the look, feel and content of NOL(S) to be more directly relevant to non-Federal actors. Moreover, we are working with our Federal partners to post far more products to NOL(S) to ensure an even richer data set. This will include reporting related to breaking events, daily terrorism related situational reports, as well as an array of foundational reports produced by the Federal Community. The ITACG is working with the FBI to spread the word of NOL(S) to its field and headquarters personnel. As a result, FBI Field Office products can now be found on NOL(S), and the FBI Headquarters will shortly begin posting its own products to NOL(S).

ITACG has also identified the need for posting NCTC TIPS and other "For Official Use Only" reporting on systems with greater access by State, local, and tribal partners. ITACG has brokered an agreement between production managers at DHS, FBI, and NCTC to post these NCTC products to Law Enforcement Online (LEO) and the recently revamped Homeland Security Information Network (HSIN).

To address the overall issue of ITACG awareness, the ITACG is preparing an outreach plan in conjunction with Federal partners, to alert Federal, State, local, tribal and private sector intelligence, law enforcement, and homeland security professionals of the importance of disseminating terrorism-related information as widely as possible. Part of this effort will be focused on demonstrating the value of NOL(S), as well as providing instructions on how to access the intelligence. As part of the outreach effort, ITACG

representatives will deliver presentations, provide informational brochures, and solicit

feedback on how ITACG can be of even greater value to our non-Federal partners.

Finally, I must note that like all websites, NOL(S) is only accessible if one has the right

"pipes"—in this case, DHS, DoD, or FBI SECRET-level networks that connect to our

State, local and tribal partners. Although I cannot speak directly to such issues, it is my

understanding that such systems are being rapidly deployed.

COMPLEXITIES and CHALLENGES

As I hope is readily apparent, NCTC is taking the ITACG effort very seriously and I

applaud the FBI and DHS on their collective efforts to support the ITACG. We continue

to devote a tremendous amount of time, both that of my senior staff as well as my own, to

getting this right. I am personally convinced that the ITACG will "learn by doing." I'm

also convinced that the entire Government agrees with the general proposition that the

ITACG needs to address issues like consistency and clarity of message, as well as

accurate content—and that it must do so while ensuring that reporting is provided to our

non-Federal partners in a timely matter.

On the good side, we already have concrete examples of ITACG facilitating the flow of

information and enhancing information sharing between Federal and State, local and

tribal entities. Much, however, remains to be done. As is the case with any standup

effort, we are collectively working through the procedures to accomplish the goals set

forth quite clearly in the relevant legislation. But we must recognize that we will continue to work through several challenges discussed more fully below.

First, we continue to see that there are competing visions for the ITACG. We have been told by some that the ITACG needs to be much bigger and that it needs to serve as a stand-alone production and analysis shop. While I believe that the size of the element is about right for now, as it evolves so to may its size and therefore I reserve judgment as to the long term size of the group. On the latter point, however, I am more adamant. ITACG should not—and in fact cannot—be a stand-alone production and analytic entity. Rather, the ITACG's strength flows from its access to information and its involvement in the production of intelligence by existing analytic entities within NCTC and elsewhere. Again, my view as noted above focuses on the need for the Group to bring the State, local and tribal perspective to bear to build on the existing Federal talent and expertise and ensure that the Federal Government is leveraged to meet the needs of SLTP partners.

Second, the ITACG must help clarify differing views of the phrase "Federally coordinated" that finds the correct balance between multiple agency participation and timeliness of dissemination. The last thing we want would be "National Intelligence Estimate, NIE-like" timelines associated with pushing time sensitive, situational awareness products.

Third, although ITACG is relatively new, we are already looking at future staffing. As of early March, the ITACG is staffed with four State and Local representatives, six Federal

intelligence professionals and contractors, and a part-time tribal representative. As I have already noted, future growth will be dictated by mission needs. Beyond addressing current staffing, funding, space and IT issues, we have also begun planning the succession process for our State and Local participants to ensure long term continuity of ITACG operations. Working across Departmental and Agency boundaries, however, invariably brings to the surface a host of administrative issues. The selection process for getting people to NCTC, the differences in the FBI and DHS fellowship programs, and the adequate level of support external to NCTC are all issues that we are addressing in order to ensure the long term viability of the program.

Finally, I believe the ITACG should not only play an important role in providing advice and counsel to the Federal Community as to what information flows *to* SLTP partners, but also advice and counsel on how information can best flow *from* SLTP partners. Currently, mechanisms to ensure that Suspicious Activity Reporting (SAR) or analytic products emanating from State Fusion Centers are made available to the Federal Intelligence Community are, in my view, less than systematic. Collectively we have a great deal of work to do in this regard and we should, in the future, use the ITACG's expertise as we seek to implement better approaches.

None of these are insurmountable challenges, and some of them simply stem from a new program. They are, however, real issues with which we are addressing as we attempt to "operationalize" statutory language. I would caution against attempts to be excessively prescriptive about what the ITACG should do or how it will accomplish its mission. I

cannot stress enough that we are in absolute agreement on the need to improve the quality

of support to our non-Federal partners and we are working extremely hard to achieve this

critical goal. And in that respect, I very much look forward to continuing to work closely

with the Committee as we move forward.

Thank you and I look forward to your questions.