

**BUILDING THE INFORMATION ANALYSIS  
CAPABILITY OF THE DEPARTMENT OF  
HOMELAND SECURITY**

---

---

**HEARING**

BEFORE THE

**SUBCOMMITTEE ON INTELLIGENCE,  
INFORMATION  
SHARING, AND TERRORISM RISK  
ASSESSMENT**

OF THE

**COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES**

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

—————  
FEBRUARY 16, 2005  
—————

**Serial No. 109-2**

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.access.gpo.gov/congress/house>

—————  
U.S. GOVERNMENT PRINTING OFFICE

20-542 PDF

WASHINGTON : 2005

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

## COMMITTEE ON HOMELAND SECURITY

CHRISTOPHER COX, California, *Chairman*

|   |  |
|---|--|
| DON YOUNG, Alaska                               | BENNIE G. THOMPSON, Mississippi                |
| LAMAR S. SMITH, Texas                           | LORETTA SANCHEZ, California                    |
| CURT WELDON, Pennsylvania, <i>Vice Chairman</i> | EDWARD J. MARKEY, Massachusetts                |
| CHRISTOPHER SHAYS, Connecticut                  | NORMAN D. DICKS, Washington                    |
| PETER T. KING, New York                         | JANE HARMAN, California                        |
| JOHN LINDER, Georgia                            | PETER A. DEFAZIO, Oregon                       |
| MARK E. SOUDER, Indiana                         | NITA M. LOWEY, New York                        |
| TOM DAVIS, Virginia                             | ELEANOR HOLMES NORTON, District of<br>Columbia |
| DANIEL E. LUNGREN, California                   | ZOE LOFGREN, California                        |
| JIM GIBBONS, Nevada                             | SHEILA JACKSON-LEE, Texas                      |
| ROB SIMMONS, Connecticut                        | BILL PASCRELL, JR., New Jersey                 |
| MIKE ROGERS, Alabama                            | DONNA M. CHRISTENSEN, U.S. Virgin Islands      |
| STEVAN PEARCE, New Mexico                       | BOB ETHERIDGE, North Carolina                  |
| KATHERINE HARRIS, Florida                       | JAMES R. LANGEVIN, Rhode Island                |
| BOBBY JINDAL, Louisiana                         | KENDRICK B. MEEK, Florida                      |
| DAVE G. REICHERT, Washington                    |  |
| MICHAEL MCCAUL, Texas                           |  |
| CHARLIE DENT, Pennsylvania                      |  |

---

## SUBCOMMITTEE ON INTELLIGENCE, INFORMATION SHARING, AND TERRORISM RISK ASSESSMENT

ROB SIMMONS, Connecticut, *Chairman*

|   |   |
|---|---|
| CURT WELDON, Pennsylvania                         | ZOE LOFGREN, California                     |
| PETER T. KING, New York                           | LORETTA SANCHEZ, California                 |
| MARK E. SOUDER, Indiana                           | JANE HARMAN, California                     |
| DANIEL E. LUNGREN, California                     | NITA M. LOWEY, New York                     |
| JIM GIBBONS, Nevada                               | SHEILA JACKSON-LEE, Texas                   |
| STEVAN PEARCE, New Mexico                         | BOB ETHERIDGE, North Carolina               |
| BOBBY JINDAL, Louisiana                           | JAMES R. LANGEVIN, Rhode Island             |
| DAVE G. REICHERT, Washington                      | KENDRICK B. MEEK, Florida                   |
| CHARLIE DENT, Pennsylvania                        | BENNIE G. THOMPSON, Mississippi ( <i>Ex</i> |
| CHRISTOPHER COX, California ( <i>Ex Officio</i> ) | <i>Officio</i> )                            |

# CONTENTS

|  | Page |
|--|------|
| STATEMENTS   |      |
| The Honorable Rob Simmons, a Representative in Congress From the State of Connecticut, and Chairman, Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment .....      | 1    |
| The Honorable Zoe Lofgren, a Representative in Congress From the State of California, and Ranking Member, Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment ..... | 2    |
| The Honorable Christopher Cox, a Representative in Congress From the State of California, and Chairman, Committee on Homeland Security .....   | 4    |
| The Honorable Bennie G. Thompson, a Representative in Congress From the State of Mississippi, and Ranking Member, Committee on Homeland Committee .....  | 5    |
| The Honorable Charlie Dent, a Representative in Congress From the State of Pennsylvania .....  | 19   |
| The Honorable Bob Etheridge, a Representative in Congress From the State of North Carolina .....   | 17   |
| The Honorable Peter T. King, a Representative in Congress From the State of New York .....   | 16   |
| The Honorable James R. Langevin, a Representative in Congress From the State of Rhode Island .....   | 20   |
| The Honorable Sheila Jackson-Lee, a Representative in Congress From the State of Texas .....   | 25   |
| The Honorable Daniel E. Lungren, a Representative in Congress From the State of California .....   | 22   |
| WITNESS  |      |
| Lieutenant General Pat Hughes, (Retired), Acting Under Secretary, Information Analysis and Infrastructure Protection, Department of Homeland Security  |      |
| Oral Statement .....   | 6    |
| Prepared Statement .....   | 7    |
| APPENDIX   |      |
| MATERIAL SUBMITTED FOR THE RECORD  |      |
| Questions and Responses submitted by the Honorable Bennie Thompson .....   | 31   |



**BUILDING THE INFORMATION ANALYSIS  
CAPABILITY OF THE DEPARTMENT OF  
HOMELAND SECURITY**

---

**WEDNESDAY, FEBRUARY 16, 2005**

U.S. HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON INTELLIGENCE, INFORMATION  
SHARING, AND TERRORISM RISK ASSESSMENT,  
COMMITTEE ON HOMELAND SECURITY,  
*Washington, DC*

The subcommittee met, pursuant to call, at 2:06 p.m., in Room 1334, Longworth House Office Building, Hon. Rob Simmons [chairman of the subcommittee] presiding.

Present: Representatives Simmons, King, Lungren, Pearce, Dent, Cox, Lofgren, Etheridge, Langevin, Thompson, and Jackson-Lee.

Mr. SIMMONS. [Presiding.] The Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment will come to order.

The subcommittee is meeting today to hear testimony on how the fiscal year 2006 Department of Homeland Security budget request helps further the information sharing and analysis capabilities of the Department of Homeland Security. I am told that we only have this room until 4:00 p.m., 1600 hours, today, so I will be short in my comments, and then we will try to extend to all members the opportunity to ask questions, but also remind them that the room will be made available to another group at 4 p.m.

I would like to recognize myself for an opening statement. As we begin this first hearing of the Committee on Homeland Security, Subcommittee on Intelligence, Information Sharing and Terrorism Risk Assessment, I would like to start by thanking the Chairman, Chairman Cox, for his leadership in helping to establish the full committee as a standing committee of Congress. I look forward very much to working with my colleague, Representative Lofgren from California, as the Ranking Member of the subcommittee, and also the Ranking Member of the full committee, Representative Thompson, who is with us here today.

I represent the Second District of Connecticut. On September 11, we lost 12 friends and neighbors. On September 11, we all failed in our constitutional responsibility to provide for the common defense. This subcommittee has a vital role to build our capabilities in intelligence, information sharing and risk assessment to help prevent another terrorist attack.

I would also like to make a second point. I believe in bipartisanship when it comes to national security and homeland security.

When I joined the U.S. Army almost 40 years ago, I put these dog tags around my neck. I wore them until I retired from the U.S. Army Reserve in the year 2003. These dog tags have my name on them, my serial number, my blood type and my religion, but there is no mention of party affiliation. During my years of public service, I have tried to be bipartisan. I look forward to conducting the work of this subcommittee in a bipartisan fashion.

Information analysis and warning is perhaps the most important capability of the Department of Homeland Security. Intelligence must drive our protection decisions, resource allocations, and homeland security priorities. Since its inception in March 2003, the Department of Homeland Security has worked to construct a robust analytical capability and has dedicated itself to fulfilling the broad statutory functions outlined in the Homeland Security Act. The committee is encouraged by the progress to date, but there is a lot more work to do, and the responsibility for that work falls on us.

General Hughes, you have some challenges and opportunities ahead of you. The Intelligence Reform and Terrorist Prevention Act of 2004 created a Director of National Intelligence and a National Counterterrorism Center. This new reality will require the office of Information Analysis of DHS to adjust to a new operating environment. IA must take this opportunity to continue to build on its initial progress and construct a fully functioning and operational Intelligence Community component, while ensuring that DHS maintains the vital link to its state and local partners, and also ensuring that as we work to protect the freedom and security of our homeland, we also continue to protect and preserve our civil liberties.

The partnerships that you have engaged in have led to central communications links between the federal government and state, local, tribal and private sector officials. These links help to ensure that the men and women on the frontlines in the fight to protect our homeland have the essential information they need to help prevent another terrorist attack. I hope your testimony today will address how these links and partnerships are being strengthened and refined to help keep America safe.

I welcome you, General Hughes, to the subcommittee today. I also want to thank you, as somebody who has also worn the uniform for, in my case, 37 years, 7 months, and 24 days, but who is counting. When you are having a good time, you do not count it all up. But I want to thank you for your very distinguished service to our country. I look forward to hearing your testimony.

I would like now to recognizing the Ranking Minority Member of the subcommittee for any statement that she may wish to make.

Ms. LOFGREN. Thank you, Mr. Chairman. Thank you for calling this hearing to discuss the proposed fiscal year 2006 budget, building the information analysis capability of the Department of Homeland Security.

Mr. Chairman, I look forward to working with you. I hope to be able to have a good, productive and professional relationship on this subcommittee, as I enjoyed in the last Congress with Chairman Thornberry. That was a very rewarding experience for me, and I think for Chairman Thornberry.

We worked together as a team. We developed our hearings together. We decided our witnesses together. We wrote bills together. In the end of the Congress, we issued not a majority report and a minority report, but we issued one report from our committee. I hope that we will have that same level of success in standing up for our country and making sure that we are facing.

General Hughes, I welcome you and I look forward to hearing your testimony, as we work with you as we seek to empower the critical exchange of information within the Department of Homeland Security. You have a difficult task, and I hope that the subcommittee will be able to help you as you work to enhance the department's capability to collect, aggregate, analyze and share information.

I understand your office is responsible for four specific tasks: analyzing and mapping terrorism threat intelligence to vulnerabilities in the nation's critical infrastructure; sharing information with state and local governments and at times with the private sector on the public information concerning terrorist threats; meeting operational efforts regarding the homeland security advisory system; and providing intelligence analysis to senior DHS officials.

As you may know, I served for 14 years on the Board of Supervisors for in Santa Clara County, so I have a very keen interest in how information is shared with local governments so that they can take appropriate action. I am also very interested in how we have assessed what is vulnerable so that we can effectively map the threats that we discover.

Finally, I do not want to be a nag, but I am going to raise it anyhow. This is your first meeting before us and so I am going to cut a little slack to the department, but there is a Committee Rule, rule 11(j), that requires witnesses to have their statements to the committee in advance of the actual hearing. It is 48 hours that testimony is to be submitted, and we received your testimony just 4 hours ago.

So this is not a senseless rule. I like to read the testimony before I come to a hearing and have the staff analyze it, and receiving it 4 hours in advance of a hearing just does not permit that. If we are going to do our job well, you need to help us by complying with that rule. So I hope I will never have to refer to that rule again, and I look forward to your testimony.

Thank you, Mr. Chairman.

Mr. SIMMONS. Thank you. That is a good and a useful comment to make.

I would now like to recognize the Chairman of the full committee, the gentleman from California, Mr. Cox, who I just mentioned a few minutes ago has played an historic role, a truly historic role, in bringing about a full Committee on Homeland Security.

I believe the reorganization of our government over the last several years is the largest reorganization we have encountered since World War II, with the National Security Act of 1947 and the creation of the Department of Defense. With that massive reorganization goes a requirement to oversee the Department of Homeland Security.

Chairman Cox has been a critical component in making sure that the Congress lives up to its obligations in these difficult, historic times.

Mr. Chairman?

Mr. Cox. Thank you, Mr. Chairman.

I want to begin by welcoming Chairman Simmons to this subcommittee. We are picking up the work that was carried on in the Select Committee on Homeland Security during the last Congress. I do not think there is any question that by background, Congressman Simmons is well suited to chair this subcommittee. I do not think there is any question either that Zoe Lofgren of California is very able and equipped to serve as our Ranking Member on this subcommittee.

General Hughes, as you know, we have been on this committee, at least as it was constituted in the last Congress, aggressive supporters of your responsibilities in the Department of Homeland Security. Since the last Congress, we have enacted legislation creating a national Intelligence Director and creating the NCTC that will have profound impacts on the Information Analysis responsibility within the Department of Homeland Security.

I note that this is not a packed hearing room and it is in some senses ironic because I do not believe we will ever focus on anything that is more central to the government's responsibility in protecting Americans from terrorism than what we are going to be talking about today. So to those of you are here, you are involved in a very important undertaking on behalf of our country.

The Homeland Security Act of 2002 gave the department a new overriding counterterrorist mission that had not previously been the job of any part of the federal government. It sought to enable to department's success in this new mission through a Directorate of Information Analysis and Infrastructure Protection. The information analysis portion of that directorate is the intelligence piece overview with prevention, particularly when it comes to the eventual threat of terrorists armed with nuclear weapons, not dirty bombs, but real nuclear weapons, or terrorists armed with bio-weapons, particularly bio-engineered weapons that are designed to be resistant to antidotes and vaccines that we might have stockpiled. There can be no overstating the importance of prevention. That is what this is all about.

During the Cold War, I think we understood that dealing with the response and recovery from a nuclear exchange was not plan A, plan B, or plan C. We were very much focused on avoiding that nuclear exchange. Likewise, the prospect that terrorists might apply weapons of mass destruction now or in the future has to cause us to focus enormous attention on prevention. That is what we hope, notwithstanding the passage of the 9/11 Commission Recommendations Implementation Act, we can continue to do under the legal mandate of the Homeland Security Act.

The memorandum of understanding on information sharing of March 2003 was a truly unprecedented undertaking between the Attorney General, the Director of Central Intelligence, and the Secretary of Homeland Security. Its purpose is to move information along and through these three communities free of the long-standing constraints that existed prior. There are some signs that

are less encouraging or convey a mixed message about our potential to achieve what we envisioned when we wrote the Homeland Security Act and in passing the law in 2002, and when this memorandum was agreed to in 2003.

I hope today, General Hughes, that we have the opportunity to understand from you exactly where we are headed and whether we have the resources to get there.

I thank you, Mr. Chairman.

Mr. SIMMONS. I thank you for your comments.

Now, the Chair would like to recognize the Ranking Member of the full committee, Mr. Thompson from Mississippi.

Mr. THOMPSON. Thank you, Mr. Chairman. I am appreciative of you calling this hearing at this time. Even though we cannot discuss the numbers for this department in open session, I think there are some issues that we need to get on the table real quick for the sake of the public.

I guess about 2 months ago, Ms. Lofgren and I had an opportunity to look at the vulnerabilities of our infrastructure by state. We were somewhat dismayed, Mr. Chairman, at how inconsistent that list was by state, and we are really concerned that somehow we have to have some standardization associated with that infrastructure list. As I understand it, there are some 85,000 vulnerabilities identified from miniature golf courses to shopping centers and what have you. But I am concerned about it, and I want to make sure that we address it this year so that we all, as members of this committee, can feel comfortable that those critical infrastructures in our districts clearly are being identified so that they can be protected.

In addition to that, I am concerned about this information sharing across the board, whether or not we have satisfactorily changed the culture of the department so that they are actually talking to each other. We hear comments all along about departments being territorial with their information, and if we are indeed protecting the homeland. We ought to make sure that all those agencies involved in protecting us are communicating with each other. So I look forward to this hearing and many more around this subject. Obviously, I look forward to your testimony, General Hughes.

Thank you very much.

Mr. SIMMONS. I thank the gentleman for his comments. As somebody who worked for the CIA for 10 years, and then finally in military intelligence for over 30 years, sharing information is a hugely important issue. Security is important, but a perfectly secure piece of information which is not disseminated is of no use. So what we have to do is come up with a balancing act. We have to balance the needs for security with the needs for sharing so that we can better protect the American homeland. So that is a very good point.

General Hughes, thank you again for coming before the subcommittee today. I will apologize to you in advance. I will have to vacate myself from the chair in a few moments to meet with the Secretary of the Navy in a prior commitment. I trust that our distinguished full committee Chairman will be able to carry on in my absence. I will be back as soon as possible. Thank you for being here today, and we look forward to hearing your testimony.

**STATEMENT OF LIEUTENANT GENERAL PATRICK HUGHES  
(RETIRED), ACTING UNDER SECRETARY FOR INFORMATION  
ANALYSIS, AND INFRASTRUCTURE PROTECTION, AND AS-  
SISTANT SECRETARY FOR INFORMATION ANALYSIS**

Lieutenant General HUGHES. Thank you very much. I am glad to be here today, too. I may have been the victim of a biological attack before coming here. I am a little ill.

Mr. SIMMONS. Spread it around.

Lieutenant General HUGHES. I am trying not to. I hope you will forgive me if I have to cough or blow my nose or something. My apologies.

I liked your opening comments very much. I, too, have worn a set of dog tags around for a long time, and have the same frame of reference. I note that this is quite different, however. I did not realize, I don't think, before I came to the Department of Homeland Security how different it is to come into my office in the morning and find myself examining a map of the United States and operating in the construct of our national values and civil liberties and rights of American citizens, as compared to the military application of force in an overseas environment. It is quite interesting to me, and has caused me to have to shift to some degree my mind set.

I think I would like to apologize to the Congresswoman for the delay in our testimony getting here. I would merely say we did submit it on time, but the clearance process did not respond. We will do our best, though, and your point is not only well taken, but understood. So thank you very much.

I believe from your comments and Ms. Lofgren's comments and others that I have to clear the air here. Otherwise, I will proceed in this hearing under false pretenses. My last day on this job will be March 15. You are speaking to someone who will not be carrying out for the most part many of the hopes and dreams that you have as a federal official, but in my future I will continue to support the Department of Homeland Security, and I will do everything I can to support the government in the future. I would just like you to know that, because it sounded like in your comments you did not know that, and you expected me to be continuing in this job. I hope that is not too much of a surprise to you.

Mr. SIMMONS. Well, you are on the hot seat right now, so let's just keep you there until you disappear.

Lieutenant General HUGHES. That is fine. I am not trying to avoid anything. I merely want you to know my tenure here is relatively short. I would be glad to answer questions about that, if you would like me to include any ideas I might have about my replacement.

The last comment I would like to make to you all is that I have lived through the last year and a few months with you. I have come before you on a few previous occasions formally and several times informally. I have appreciated every opportunity I have had to talk with you and interact with you. I can look you directly in the eye and tell you that we have made progress. We have made a lot of progress. In some cases, it is not smooth or very attractive, but it is real. We are continuing that progress. The dedication and devotion of the people who are carrying out the work of the Depart-

ment of Homeland Security, if you have that in your mind, you can never be in doubt.

We do require guidance and direction and we do require measuring and rating at times, and we do require a steward and admonition and wisdom from others. But the heart, the spirit, the devotion and the dedication to duty is present in all of those who serve in this department.

Thank you very much. I will be happy to answer questions you ask.

[The statement of Lieutenant General Hughes follows:]

PREPARED STATEMENT OF PATRICK M. HUGHES

Good morning Chairman Simmons, Congresswoman Lofgren and distinguished Members of the Committee. It is a pleasure to appear before you today to discuss the Information Analysis (IA) capability of the Department of Homeland Security (DHS). This time of year marks the two-year anniversary of the actual "stand up" of the Department. We have really been able to support the intelligence and information needs of the Department for about 13 months. As we transition much of the senior leadership of the Department and as we anticipate the arrival of our new Secretary, we clearly intend to work to improve our capabilities, but it is important to acknowledge the tremendous efforts of the many individuals who have worked tirelessly to bring together a functional and effective intelligence support organization. I want to specifically mention the extraordinary men and women of the Information Analysis and Information Protection Directorate (IAIP) with whom I am so proud to have served. These superb professionals, laboring often in the background, are focused on the business of the Department and the Nation because they are 100 percent committed to our mission and our Nation's security. Judging from the feedback I have personally received, and according to my professional judgment, we—they—are making a difference with our effort to provide accurate, timely, actionable, and cogent information to the customers we serve.

It is also important to recognize the impressive strides made in the area of information sharing, collaboration and cooperation at the Federal level. We have worked hard to develop more robust and deliberate interaction with our Federal partners, particularly with the Federal Bureau of Investigation. Our joint efforts with the National Counterterrorism Center (NCTC), our relationships with DOD and the Central Intelligence Agency (CIA) and other key departments, such as Justice, State, and Energy, have greatly advanced our collective capabilities and relationships. Our current information sharing and collaboration environment within the government is far superior to that which existed before the establishment of DHS and has notably improved during the past year. We look forward to the advent of the Director of National Intelligence and continuing progress throughout the intelligence community.

Our efforts to build a DHS intelligence capability are oriented around three overarching imperatives. These are: building and expanding capacity within the Department; furthering our coordination and liaison efforts with all of our stakeholders, domestic and foreign, government and non-government; and, creating and distributing the work products that will ensure we all have the right information, at the right time, in the right way. . . . to protect and preserve. In short, we are doing our job supporting the Department of Homeland Security and in my view doing it well.

As we evaluate and assess the roles and mission of the Office of Information Analysis (IA), I believe we must acknowledge IA's role within the broader construct of DHS. IA should be considered the Office of Intelligence for the Department. This essential function will include building out the intelligence infrastructure for DHS Headquarters and ensuring the establishment of common Intelligence Community (IC) standards that apply to the "intelligence elements" of the "components" of DHS. The *9/11 Commission Report* specifically cited the continuing need to assimilate and analyze information from DHS' own components. IA needs to better integrate, coordinate, correlate and fuse these activities and the intelligence information they produce, in partnership with all component intelligence elements. IA, acting as the Departmental intelligence office, is developing a plan for the integration and collective application of all DHS component intelligence organizations in a way that will achieve greater synergy in this mission area. IA is and will continue to develop as the Departmental intelligence support element, while continuing to pursue its statutory obligations under the Homeland Security Act. As you know, IA is a part of the Intelligence Community and its funding is provided by the Intelligence Authoriza-

tion Act, the specifics of which are classified. While I cannot go into classified specifics in this open forum, I am more than ready to discuss IA's budget with you in an appropriately classified session at your convenience.

We have a dynamic vision of how intelligence and information will be analyzed, how the analytic elements of the Department will be managed to achieve optimum benefit, and how to develop a budgetary strategy that will unify the programs related to intelligence activities and information analysis across DHS. A major collaborative study is currently under way within the DHS to establish the baseline for this effort. In addition, we seek to reshape the Department's efforts consistent with the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) and the new authorities of the Director of National Intelligence (DNI).

No less important is the need for adequate facilities, analysts, and program resources to assure that the complex and difficult process for obtaining and analyzing intelligence is managed, operated and sustained. It is not sufficient to simply create authorization for fully funded U.S. Government employees without also providing the resources to properly house these intelligence professionals in facilities that are designed and constructed to facilitate the receipt, handling, analysis, and storage of highly classified material in order to protect and preserve our security. To that end, the 2006 budget request includes \$38 million to allow IAIP to fit out facilities that meet security and information technology requirements and allow IAIP to access and analyze intelligence, collaborate with our partners and execute the mission we have been given. IAIP came into the Department with no legacy facilities and no predetermined permanent housing. We now have a plan to occupy both swing and permanent facilities that fit our needs, and this funding request will enable us to complete that plan.

As we work toward building IA's capability, we have framed our thinking around a new paradigm that seeks to encompass "all information necessary to protect and preserve the homeland." Within that environment are subsets of information such as defense or military information, intelligence information, law enforcement information, homeland security information, and critical infrastructure information as well as public and private sector information. All of these types of information make up the vast array of intelligence that DHS needs to do its job.

DHS is a fully vested member of the IC and the Office of the Assistant Secretary for Information Analysis represents the Department in all IC venues, ensuring that DHS interests and requirements are fully represented and considered among the community. IA analysts have access to the most sensitive national intelligence regarding international and domestic terrorist threats, and the interaction with their peers throughout the IC continues to develop and improve. Much of the information we receive comes to us from IA analysts' connections to the Joint Worldwide Intelligence Communications Systems (JWICS), NCTC Online, the IA Automated Message Handling System (AMHS), the Homeland Security Information Network (HSIN), the Open Source Information System (OSIS), and a variety of other formal and informal (i.e., analyst-to-analyst) mechanisms. These information streams from external sources are augmented by our own internal reporting from DHS components. We are increasingly well informed, but not yet satisfied with this endeavor.

The range of intelligence and information coordinated by IA from the IC, and our state, local, tribal, municipal and private sector partners; as well as from all DHS entities with intelligence and operational capabilities, is both impressive and daunting. These entities—and their products—continue to be an important part of how IA does its work.

IA's relationship with our colleagues in the Infrastructure Protection (IP) Directorate is critical to our success. Jointly we are able to deliver threat-informed vulnerability analysis and data-supported risk assessments regarding our critical infrastructure to our constituents and customers—notably the private sector, which owns the vast majority of our nation's critical infrastructure.

IA is an integral part of the Homeland Security Operations Center (HSOC) effort to monitor and communicate on all matters of homeland security interest 24x7. Intelligence from DHS components that IA correlates and analyzes provides invaluable perspectives and insight for the entire Federal government. From a citizen providing a Patriot Report on suspicious activity, to Border and Transportation Security (BTS) reports regarding individuals of interest trying to enter the United States illegally, or US Coast Guard reports regarding suspicious activity near critical infrastructure. Such information is provided to IA through the same methods the larger IC uses: the physical presence of DHS component and IC element liaison officers within both IA and the Homeland Security Operations Center (HSOC), strong linkage between the HSOC and our constituents, and communication between analysts and leadership. In fact, the presence of representatives of 30 separate Federal and local representatives within the HSOC provides a perspective and collaboration ca-

pability that is virtually unique. Additionally, coordination within DHS is aided by regular meetings of the intelligence chiefs of each entity, led by the Assistant Secretary for Information Analysis.

It is not sufficient to just produce information. In order to be effective, information must be shared. DHS has developed this capability and in cooperation with our Federal partners and is coordinating information sharing among previously unconnected systems. For example, DHS has collaborated with the Justice Department on the DOJ Law Enforcement Sharing Plan. Further, the Homeland Security Information Network (HSIN) is a "system of systems" that provides discrete communities of interest for Law Enforcement, Counter Terrorism, Analysts, Emergency Management, and Critical Infrastructure groups to collaborate and share critical information in real time. In addition, the DHS network provides the ability to pull together participants from all of these communities, into a shared space to collaborate, during any period when the threat creates the need. Further, as a direct result of the Department's Information Sharing and Collaboration (ISC) initiative to cooperate and work jointly with other Federal partners, DHS and DOJ/FBI have established the first ever capability to share information between our respective communications and automation networks. Specifically, we were able to connect the Homeland Security Information Network with the Regional Information Sharing Systems (RISS) and Law Enforcement Online (LEO). More needs to be achieved but we are on the right track.

Already, the DHS ISC Program has engaged other Federal, State, local, and Tribal, information sharing programs in an effort to create synergy by fostering mutual awareness of their key programs and capabilities, and creating a forum to garner feedback on policies and procedures under development at the Federal level. Additionally, this effort has resulted in the first ever capability to share information among the State, local, and tribal information sharing systems.

IAIP's fiscal year 2006 budget request includes \$7,482,000 for ISC. The Department is budgeting an additional \$5,000,000 from the Chief Information Officer and \$4,000,000 from the Working Capital Fund to bring the total funding for ISC in fiscal year 2006 to \$16,482,000.

In addition to receiving information from these entities, IA is routinely sharing information and collaborating at all levels—from the Federal Government and the IC to State and local officials. DHS component organizations also serve as a conduit through which information and warnings can pass to government at all levels. Thus, IA's continuous information sharing and collaboration with the HSOC, BTS, USCG, and other DHS entities, provides valuable information to all of the men and women responsible for protecting the homeland.

It is IA's specific focus on the protection of the American homeland against terrorist attack that is unique among its IC partners. This focus provides invaluable information and assistance not only to State, territorial, tribal, local, and private sector officials that receive accumulated threat information, but also to DHS components that use the information, trends, and indicators to inform and prepare operators and decision makers on the front line. The relationship IA has with the HSOC, BTS, and other DHS entities translates into continuous information sharing and collaboration that provides a unique threat picture and actionable information to those who are vital to protecting the homeland.

The Department of Homeland Security is a prime example of how changes have been made within the Intelligence Community, the counterterrorism community, the law enforcement community and the response community to work more cohesively as well as more collaboratively, and to assure information is shared as fully and completely as possible. This represents a dramatic change from conditions as they existed before September 11th, 2001 and an very impressive change from even one year ago. DHS plays a central role in the counter-terrorism and homeland security effort as we continue the work of communicating intelligence and information to our partners in the federal government as well as with the State, territorial, tribal, local, major city and private sector officials charged with protecting the people and infrastructure of the United States.

We are proud of our work and our place in the larger national defensive network and we look forward to a safe and secure future for our nation. Mr. Chairman and Members of the Committee, this concludes my prepared statement. I would be happy to answer any questions you may have at this time.

Mr. SIMMONS. I thank you for your testimony. What we will do is I will ask a question and then I will go to my left and right by order of appearance at the time of the gavel and thereafter, after

of course our Chairman and Ranking Member have had their opportunities.

I commanded a military intelligence unit in the mid-1990s that created a handbook for open source intelligence that was eventually adopted by the U.S. Army as doctrine. I have had a personal interest in open source intelligence ever since. I have traveled to Special Operations Command in my capacity as a member of the Armed Services Committee. I have gone to open source conferences. I have met with officials from around the world who have an interest in this capability.

It seems to me that open source acquisition or open source intelligence, that is intelligence that is created from the collection and analysis of open sources of information, lends itself particularly to the intelligence challenges of the Department of Homeland Security for two reasons. One, in some respects the information that we are relying on or looking for may come from that small municipal county sheriff's department, for all we know. It needs to be transmitted quickly, and it does not need to be classified in and of itself. Two, products that are derived from open source acquisition and analysis often do not have to have the same level of classification as those that are collected through other venues, so it is more readily available to share with the American people.

Cost is also a factor. Where are we in the development of this capability in support of the mission of the Department of Homeland Security, and where would you like to see us go?

Lieutenant General HUGHES. We have explored a number of avenues with regard to open source information. I have been a proponent of it for a long period of time. I have to tell you that I have discovered along the pathway that I have taken, anyway, that there are some problems with it. A lot of information from open sources, much of it is erroneous, wrong. When we use it exclusively without cross-checking it with something else, we have found, I have found, it has been my experience, that it usually gets us in trouble.

So I think while I think there is great power in this source of information, I also think we need to tread carefully in using it, and understand the context in which it can be used. We have on our computers now in the IA element the OSIS. It stands for the Open Source Intelligence System that the intelligence community is the proponent for and now provides numerous search engines, databases, media files, download capabilities of all kinds, including photographs, pictures of the ambient culture and environment around the world. We have all that at our fingertips right now. We have had guest speakers on this topic we have tried to inculcate in the homeland security intelligence analysis the power of, the idea of open source intelligence.

I do not know whether you are familiar with a gentleman named Robert Steele.

Mr. SIMMONS. I am intimately familiar.

Lieutenant General HUGHES. Okay.

Mr. SIMMONS. I think you know what that means.

[Laughter.]

Lieutenant General HUGHES. Yes, I do. I do. Robert Steele, for all of his many interesting characteristics, has been something of

a pioneer in this field. We have had him come and talk to us. It was a very interesting talk and very deliberative and engendered a lot of discussion. I think that with Robert Steele's views as something on the far end of the utility spectrum, you may think of never using open source information as the other end of that spectrum. We are trying to find utility and balance along that spectrum.

Once again, I think it has great potential and we are very knowledgeable about it and using it.

Mr. SIMMONS. Thank you for that response.

I would like to recognize the gentlewoman from California, Ms. Lofgren.

Ms. LOFGREN. Thank you very much.

I am concerned about the number of contractors that are in the department, instead of full-time employees, not just in IA, but throughout the department. One question I have, without getting into the numbers, which we cannot, is whether you are confident that we have sufficient budget authority to actually have staff, as opposed to contractors, in the upcoming fiscal year.

Lieutenant General HUGHES. Yes, ma'am. I believe that the budget authority is not in question here. Finding the expertise is a problem. And accompanying this, to the best of my ability to characterize the truth here, it is true that the contractors have offered us and we have taken advantage of their offer, some very fine people with some tremendous technical expertise that we were not able to acquire in any other way.

Back to the fiscal realities of this, those people are costing us more money than a federal employee would. However, you cannot get them. We have not been able to get them by hiring them off the street. They are a limited supply and high demand.

Ms. LOFGREN. I know we cannot go into the numbers in this open session, but I would be interested in a secure setting to take a look at where that balance is so we can get a handle. I know in some of the other aspects of DHS, I have a better handle on the contractor-to-employee ratio and how it is working. I would like to do that if I could arrange that with you.

Lieutenant General HUGHES. I would be happy to do it. In lieu of reading, which might take a longer time, I can get an information paper back to you that has the details at either the unclassified level or at the level of classification that we have.

Ms. LOFGREN. Why don't you do that, and then if I have further questions, we can follow up further.

Lieutenant General HUGHES. I am happy to do so.

Ms. LOFGREN. I appreciate that.

In thinking about the task that you face, is it fair to say that the largest part of the IA job is to map the intelligence collected by other agencies to the critical infrastructure information maintained by IP? If that is the case, I am wondering what influence you have, if any, on the state of the critical infrastructure listing and analysis, and how much that is impairing your task?

Lieutenant General HUGHES. First, the answer to the first part of your question, is that our primary or most critical function, my answer to that, I am sorry to say, is no. Our primary task and our most critical function has become, and I think it is logical for this to happen, departmental support across the board, working as an

all-source intelligence producer for the department. That is really our work in its primary form.

The most important part of that work is to continue that interface between IA, the intelligence part, and IT that does the risk analysis and vulnerability assessment, but I will have to tell you that it is a little bit hard for all of us to understand, the risk analysis and vulnerability assessments are not done strictly on the basis of threat. They are done with civil characteristics in mind. One of them is apparent vulnerability to possible attack using means of attack. Another idea that is applied here is whether or not a particular kind of infrastructure has proven to be attackable if gaps are not closed and if vulnerabilities are not reduced.

Another idea behind it is the value of the infrastructure, whether it has ever been attacked or not. That is kind of a strategic assessment. As an example, I think Mr. Thompson mentioned miniature golf courses or something like that. Obviously, when you are using good common sense, not high-faluting intelligence, and you are weighting the importance of a miniature golf course against a nuclear storage site, hopefully most people would choose the nuclear storage site. That does not mean, however, that something in between those two extremes does not need some kind of protection.

Ms. LOFGREN. I know my time is up, but the concern I had with the latter question is that in fact the miniature golf site is on the list and the nuclear power plant is not. So if part of your job is to map the threats to the listing of the critical infrastructure, and the critical infrastructure is just random, how do you do that job?

Lieutenant General HUGHES. That should not be the case. I am not familiar with the specific part of the list that you are telling me the nuclear power plant is not on there, but let's suppose that that is accurate. That is a mistake and we need to fix that.

Ms. LOFGREN. Okay. Thank you.

Lieutenant General HUGHES. You are welcome.

Mr. COX. [Presiding.] General, I would like to go into some of the numbers in this open session, and I do not see any reason that we cannot discuss the programmatic figures here. My understanding with staff is that these are all open. I would like to talk about threat determination and assessment, evaluation and studies, the homeland security operations center, and the new account for information sharing and collaboration.

I wonder if, just to set the stage for discussion of this, if you could describe for the subcommittee what each of these programs is in chief focused upon, starting with TDA.

Lieutenant General HUGHES. I hope I can do this right, but it is not a classification issue. It is a knowledge issue, so I am going to have to refer to a book. The first one you wanted to talk about, sir, was?

Mr. COX. Threat determination and assessment. Do you know what I can do also, I mean, we are sort of constrained to go through this program by program in order to talk about it in this open session, but I would like to get into what is the nub of your work. The figures that I have before me include the programs for threat determination and assessment, evaluation and studies, homeland security operations center, and information sharing and collaboration. I wonder if you could begin with whichever of these

is closest to the core function of IA to do all source intelligence fusions?

Lieutenant General HUGHES. Obviously, threat determination and analysis is a primary factor. I am not sure exactly what you want to know, but if you want to know if our budget is adequate, the answer I believe is yes.

Mr. COX. To the extent that threat determination and assessment is central to your mission, it would disturb me, then, that we are cutting its budget.

Lieutenant General HUGHES. I do not know if you should be disturbed about that, sir. We are not cutting it too much. The issue here is the threat determination, after you initially make it on a piece of fixed infrastructure, does not really need too much work after that if nothing changes. So once you lay down a baseline, you may not need quite the same level of effort that you did in the past. You do not have to re-do that baseline.

Mr. COX. Over time, we have been working with the department and with you directly to make sure that you acquire the number and quality of analysts necessary to perform IA's function. To what extent do these programmatic figures for TDA, for evaluation and studies, for the operations center and for information sharing and collaboration reflect the number of analysts that you have at your disposal?

Lieutenant General HUGHES. In the case of the operations center, there is no parallel at all. The operations center generally has people in it who are doing what I would refer to as information transfer. They are getting information in from any source at all. They do not analyze the information. They put it in the right bins. They alert people to the fact of the information. They pass it to others. They do any analytic endeavor.

Mr. COX. I note that the operations center is getting a big plus-up of, it looks to eyeball it, of about 40 percent. Likewise, evaluation and studies is getting a healthy increase. The threat determination and assessment account, on the other hand, is being reduced, and the explanation that has been provided to committee staff is that it is due in large part to a decrease in purchasing from government accounts and a decrease in advisory services needed for this account.

To be perfectly honest with you, I do not have any idea what that means. So I do not know whether or not I need to be concerned. I know what our chief programmatic concerns are, and that is that we continue to help you build a core of talented analysts who can carry the full statutory mission forward of all source intelligence analysis, and make sure that even post-9/11 Act, that the Homeland Security Department is a major participant in the intelligence community at the NCTC.

Lieutenant General HUGHES. I think your concern is well founded. If I could try it from a macro level, our overall budget I think is about 2 percent reduced, but money has been shifted around inside the structure of the IAIP to meet needs that we believe are present. Part of the plus-up in the HSOC is to handle COOP requirements and to meet the needs of the information flow that we anticipate is going to come into the department from greater feeding of information. This is raw information from the state and local

sectors. In other words, we think after fielding homeland security information network, and that is JRIES with a new name on it, and after upgrading it to the secret level, we will be getting a lot more raw information.

Handling that, processing it, is part of the plus-up that you see there. The idea of whether or not I can characterize what this set of words or phrases means exactly is kind of a mystery to me, too. In fact, I do not know if I could explain it. But I think the idea here is to get the information into not only the operational channel, but the intelligence channel for analysis concurrently. Lots of information that comes, especially the state and local and private sector, does not require much analysis in its initial form. It is a spot report, a patriot report, a person's call-in of suspicious activity.

That may indeed be a piece of information that has to be put into the analytic environment, but standing alone it can also be passed to operators and actors for their initial appraisal of the information. To use the phrase, the phrase has become so unpopular, to connect the dots, the connection of the dots still goes on, but it kind of rests in the background for some of this information. The foreground is the initial use of the information in an operational setting, but we have shifted money around to do that.

Mr. COX. My time has expired.

The gentleman from Mississippi, the Ranking Member of the full committee, Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Cox.

General Hughes, can you provide this committee with a breakdown of those contractor services that we are paying for over and above normal personnel costs, as information that you get back to us? You do not have to comment on it. Just provide to us.

Lieutenant General HUGHES. Yes, sir.

Mr. THOMPSON. To your knowledge, are you aware of any problems with any of those contracting services as of this date?

Lieutenant General HUGHES. I am aware of some problems.

Mr. THOMPSON. You are?

Lieutenant General HUGHES. Yes.

Mr. THOMPSON. Can you also provide this committee with a listing of those problems?

Lieutenant General HUGHES. I will.

Mr. THOMPSON. Thank you.

With respect to the mapping the threat to vulnerabilities, what is your opinion of those vulnerabilities that have been identified, just in general? Do you think in your opinion those vulnerabilities meet the test of mapping? Do you think it is 50 percent complete? Just give me your honest opinion of it.

Lieutenant General HUGHES. My honest opinion is that we are far from finished. Indeed, we are now using a term called "complex urban environment." We are treating the major cities especially, but also the industrial outliers and some other parts of the United States that have a concentration of activity that is of interest to us, and we believe it might be of interest to the terrorists, as an organism, so that if you kick the shin of a large complex city, the city may also get a headache at the same time as the shin hurt, because the thing is so interconnected. It is very much like an animal or a human. The nervous system of the city may indeed be affected

by a kinetic blow. That is an important concept. I know it sounds a little ethereal, perhaps, but it is not. It is a fact.

So probably the most common example of this is the electricity. You turn off the electricity, you turn off a lot of capability. If you turn the electricity off for a short period of time, you can live with it, not a problem. If you turn it off hard for a long period of time, we would have difficulty performing some of the functions we now take for granted.

So that is an example. The electricity itself is what you have to attack in order to do that, or the control mechanisms associated with it. That fact, that idea that a hospital, as an example, when it runs out of fuel and its alternate power source does not operate anymore, and the electricity is still off, means that that is a vulnerability you have to assess carefully.

If you did not assess it properly and have enough vision to see that after 3 days you were going to run out of fuel, there may not be a way to get more fuel because the pumps at the fuel station do not work because the electricity is off.

Mr. THOMPSON. Okay.

Lieutenant General HUGHES. More than you wanted to know about it.

Mr. THOMPSON. Well, I just want to know if we identified the hospital as a potential target.

Lieutenant General HUGHES. Absolutely.

Mr. THOMPSON. Yes, okay. With respect to your present position, have you any access to all intelligence available?

Lieutenant General HUGHES. Yes, I have, but I have to tell you that not everyone who works for me has.

Mr. THOMPSON. What was the problem with others not having access to that information?

Lieutenant General HUGHES. There is in the intelligence committee, it remains to this day, a culture in which a known person with a certain track record, having been polygraphed and background investigations done repeatedly over time, and a certain amount of dependability built into that background, and perhaps maybe you could even call it familiarization, the old-boy network, that culture has something to do with what level of trust and confidence others are willing to place in you.

Mr. THOMPSON. Mr. Chairman, if I could. So if Congress passes an Act mandating agencies to share information, do I understand you to say that that is still subject to whether or not certain individuals want to share that information with other agencies?

Lieutenant General HUGHES. I probably would not put it quite like that. It is subject to the rules governing the information itself and who has access to it for what reasons.

Mr. THOMPSON. Mr. Chairman, I guess my point is, if we pass an Act saying that these agencies have to share this information between them, I am now hearing that there is some other standard out there somewhere that prevents that information being shared.

Lieutenant General HUGHES. Let me just tell you, if I may respond to this, this always has been in the intelligence business in the government, something called the "need to know." The "need to know" rule still applies, and for the most sensitive kinds of intel-

ligence, about very specific activities, the “need to know” rule still is at work.

My personal view, by the way, is it should be. You should not tell everyone every single thing every single day. You should make sure that the key persons who are involved in this work know the essential issues each and every day, and I believe that has been done in my case.

Mr. THOMPSON. Well, I think we will probably have some more opportunities for discussion. Thank you.

Mr. KING. [Presiding.] All right, Mr. Thompson.

General Hughes, let me thank you for your service, and I certainly wish you well after March 15.

In a way, I will be following up on Congressman Thompson’s question, or maybe expanding it a bit. Obviously, information analysis is a work in progress. You have described it that way yourself.

How has the passage of the Intelligence Reform Act impacted on that, either positively or adversely? Do you feel that the sharing is working the way it should? Is it better than it was before? Do you feel constricted? Again, how does it impact on the Department of Homeland Security?

Lieutenant General HUGHES. The first part of the answer is it is a lot better than it was.

Mr. KING. Because of the legislation being passed, or just because of the evolving of time?

Lieutenant General HUGHES. To be very frank, sir, I have not personally seen or observed any change since the act was passed that could be attributed directly to the act. Any of the changes that have occurred were ongoing prior to the act being passed. The act is going to take some time to reach fruition, to have impact.

I think it is a very good act. I fully support it. I think the advent of a Director of national Intelligence is an important piece of that act and will cause the sharing function, the interoperability and commonality among the information systems to occur so that sharing can be better facilitated, and numerous other functions that we all think are laudatory. That will happen. It is ongoing, and much of it was ongoing before the act was passed. That is just a fact.

Over time, since September 11, I have seen a marked improvement. Indeed, in the past year, as I stated in my written testimony, there has been a distinct qualitative and quantitative improvement in the information that is being shared in the intelligence community. By the way, parenthetically, in what can be distinguished from the intelligence community, is the law enforcement community, which as we all know is the nexus that makes Americans nervous, but it is a nexus that has to occur in the battle against terrorism and the battle against destabilizing forces inside our culture. So that is working. We have a much better information relationship than we ever did with the FBI. Actually, it is improving right along. Every few days, we make some kind of improvement.

Is it perfect? Is it everything we could wish for? No. But the improvement is so dramatic that I am loath to criticize it in any way. I am happy to characterize it as something that we ought to keep going.

Mr. KING. I have to ask you, is there anyone that you are willing to criticize? Are there any elements within the intelligence commu-

nity, the law enforcement agencies, who you feel are not cooperating with the spirit of the post-9/11 world that we live in?

Lieutenant General HUGHES. I am not willing to criticize them.

Mr. KING. Could you question them? Could you enlighten us as to perhaps areas we should be looking at, where there is not full cooperation being given?

Lieutenant General HUGHES. I think you ought to do what you are doing now, which is continuing to press the entire intelligence community and the culture to the degree they possibly can to have broad and full information sharing. Just continue the pressure. It is working. I, for one, ascribe that success not to the practitioners of intelligence, but to you, the Congress. You have brought pressure to bear, and I thank you for it.

Mr. KING. If we were in closed session, could you direct us as to where we should apply more pressure, you know, in one place rather than another?

Lieutenant General HUGHES. No. I do not think so. I think I have given you an honest answer today.

Mr. KING. Okay. Also in your opening statement when you mentioned the fact that you would be leaving on March 15, you sort of enticed us with a statement that if we have any questions to ask you about suggestions that you might want to make, we should ask them.

Let me ask you: Do you have any suggestions as to the future, regarding the department or regarding your specific position?

Lieutenant General HUGHES. I hope we can continue this work, strengthen it. We need the support of Congress and obviously we need the support of this committee and the subcommittees of the committee that are named after the work of securing the homeland. You need to be first for effectiveness, change, progress in the future here on the Hill. You also need to be our advocate to some degree.

I certainly make a plea for that to continue. My view is that we did not have the same kind of supporting mechanism in Congress when we first started out at the so-called "legacy" or older agencies and departments did have. We are slowly building that. I see the permanence of this committee finally recognized, I think a year late at least, as a manifestation of that. I cannot see how you could view it any differently.

Mr. KING. Thank you, General.

The gentleman from North Carolina, Mr. Etheridge.

Mr. ETHERIDGE. Thank you, Mr. Chairman. Let me join my colleagues and thank you for holding this hearing.

General Hughes, thank you for being here. We are going to miss you.

Lieutenant General HUGHES. Thank you, sir.

Mr. ETHERIDGE. I wish you all the best.

My State of North Carolina is a participant in the regional information sharing system or the RISS program. My question is, what is the status of linking the homeland security information network to RISS? How do you propose that we avoid duplication and confusion when we try to make these linkages so they will work best for the American people?

Lieutenant General HUGHES. RISS and LEO, the law enforcement side of that, can link now to JRIES. The names kind of run together here, but the homeland security information network is being empowered right now by the JRIES system which was an old Department of Defense system. That system was brought over to the Department of Homeland Security and put in place. Most people who have looked at it think it is an effective and efficient system. RISS and LEO both were able to link to it. It is not really hard to do.

However, I believe that what we should have is a narrowing down of these systems and maybe even one system with one name, which can then be managed technically by one organizational entity. That is what I would like to see. That has proven to be an unpopular idea because of the investment that has been made in each of these separate systems. There are others besides RISS and LEO and JRIES out there.

So I think another year or so of maturity and perhaps field evaluation may show, I am hoping it will show, that the power of combining these systems should be facilitated as rapidly as possible.

Mr. ETHERIDGE. General, let me follow that up, because it seems to me if we can get to that, and the sooner the better, because we save not only time, but we will save money. My personal view it would be a lot more effective for the American people and for those who use it. Would you agree or disagree with that statement?

Lieutenant General HUGHES. I completely agree.

Mr. ETHERIDGE. Is there some way, then, that this committee can help facilitate that movement and the maturity of that system?

Lieutenant General HUGHES. I think you can. I would like to invite you to have the proponents of the homeland security information network come here before this committee and give you their views and RISS and LEO also and others. I think that would be an excellent thing for you to do.

Mr. ETHERIDGE. Thank you, sir. I will encourage the leadership to take a look at that at some point. I think that is real cost savings, and would be very effective for the American people.

I understand that DHS is attempting to provide useful intelligence to state and local first responders. How does IA handle the raw data and reports that you get from state and local officials coming in from the local?

For example, what is the procedure for a police officer to report a suspicious activity that they may find, or any law enforcement officer, that ultimately could be used that may very well forestall a major problem that Homeland Security is responsible for?

Lieutenant General HUGHES. Right now, a police officer or a police organization will make a report through law enforcement channels to the Federal Bureau of Investigation, and either concurrently or separately to the Department of Homeland Security. These reports can be made verbally by telephone, or in some cases by the RISS network or the LEO network or some other way, a lot of which are terminated at the Homeland Security operations center.

So the FBI gets them and we get them, generally speaking. There are cases where we have heard about, where reports do not come concurrently to one or the other. Usually, the report usually

goes to the FBI first, and does not come to the Department of Homeland Security as a matter of routine. We are pressing to fix that by, first, advertising our role in the law enforcement community and asking them to follow this procedure.

I might add that we have begun in the past year, and we now have something over 300 reports that are jointly filed with the Federal Bureau of Investigation. Those reports carry a message with them in the body of the report that says if you have any further information, or if you have any indication of activity associated with this report or in any other way, please report it to your local joint terrorism task force and the homeland security operations center.

Mr. ETHERIDGE. Thank you, General. I see my time has expired.

It seems like this is another area that we could press a little more on, because if the FBI is not sending that information over, and it is not being shared, that is not what we had in mind when we set up Homeland Security.

Lieutenant General HUGHES. The FBI, I need to add this, I hope I did not characterize this wrongly, the FBI is not a problem in this regard. The FBI, at least as far as I know, is not preventing information from coming to the Department of Homeland Security. The local police, the law enforcement authorities out in the states and localities, sometimes do not report that information concurrently. But when the FBI gets it, in most cases they pass it to us, and we do the same.

Mr. ETHERIDGE. Thank you for that clarification.

Thank you, Mr. Chairman.

Mr. KING. The gentleman from Pennsylvania, Mr. Dent.

Mr. DENT. Thank you, Mr. Chairman.

General thank you for your service.

My question deals with the credibility of threats. Obviously, the 9/11 report talked a lot about the need to know versus need to share, and how do you strike that proper balance. When information, before it is going to be shared, obviously you have to determine whether it is credible. What is the process for determining the credibility of these types of threats before you can disseminate that information out in a timely manner to the people who need to know?

Lieutenant General HUGHES. That is a wonderful question because we live each and every day, and it is what I would refer to as Hobson choice.

Mr. DENT. A what?

Lieutenant General HUGHES. A Hobson choice—a “damned if you do, damned if you don’t” kind of choice. If we send information that we get out rapidly without taking some time with it, it is apt to be wrong. But if we take some time to clarify it, too much time, it loses its importance and its value over time. We never know. We cannot know whether it is accurate or not immediately.

So our choice has been to report it as rapidly as we can, knowing that that is going to lead to much information going out in the field which is wrong. We know that, but we are hoping that all the professionals that receive this information will somehow understand that and be able to live with it.

Mr. DENT. Just to follow up, we spend a lot of time around here trying to determine answers to questions, and thank you for your service.

Lieutenant General HUGHES. Thank you very much.

Mr. KING. The gentleman from Rhode Island is recognized, Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

General I want to thank you for being here and for your testimony. Thank you for your service to the country, particularly in your latest role at the Department of Homeland Security. You have made a great contribution.

Lieutenant General HUGHES. Thank you.

Mr. LANGEVIN. If I could just begin with IA's role in the intelligence community. The Senate report on the intelligence leading up to Iraq brought to light a tendency toward group-think. The information basically stressed the worst-case scenario, and a failure to question assumptions, if you will.

The question I have is, has IA institutionalized measures to ensure that a similar type of intelligence failure does not occur here, and if so, what measures are in place and are they effective?

Second, there is a truism in the intelligence business that to get included in the right meetings, that you have to be able to bring something to the table. So what products or expertise does IA currently bring to the rest of the intelligence community such that it is seen as a valuable contributor to the intelligence process?

Lieutenant General HUGHES. Thank you very much.

In the first case, we think there is a problem consistently over time in the intelligence building, and you have to guard against it at all times. One of the things that it is up to leaders to do is to develop an environment in which any question could be asked, any premise can be challenged, any idea can be called to account. We just have to do that. We have to tell people the truth as directly and as clearly as possible.

I would place the burden for avoiding group-think not on a process or procedure, but on leaders, specifically the leaders in the intelligence community, not merely at the highest level, and I would certainly hold them accountable, but also down to the mid-grade, middle-management level. They have to let analysts reign in their intellectual space and be able to think beyond some kind of artificial limit, to be able to deal in concepts in their own context without some kind of constraint or restriction.

If we do not have that kind of environment in the intelligence community, then group-think will absolutely occur, you can depend upon it. I had a friend when I was in the military, an Israeli intelligence general. He happened to be a lieutenant colonel at the time of the 1973 invasion by the Egyptians across the Suez Canal. A captain came to him and said, those Egyptians are testing us each and every time we carry out war games, and we are not doing anything about it. The lieutenant colonel said, they are just war games. The captain said, they are not just war games; they are practicing. One of these days, they are going to continue. You know the rest of the story.

The lieutenant colonel later regretted his failure in this function, and the picture of the dead from the front there was an intelligence

analyst with chains and a big heavy locks around his head. That is the issue. We just have to somehow generate an environment that never allows that to happen in the United States.

Mr. LANGEVIN. General, if I could be clear in the understanding that you in particular in your department have things in place to make sure that consciously you have made sure that group-think is not going to be a problem?

Lieutenant General HUGHES. I have done the best I could to generate an environment in which any idea is welcome, any thought is fine. At some point, however, decision-makers have to make decisions. If your decisions over time prove to be flawed or faulty, then you obviously have a problem.

The second part of your question, would you repeat it?

Mr. LANGEVIN. I want to know if it is true that in the intelligence business, to get included at the right meetings, you have to bring something to the table. So I wanted to ask what IA currently brings to the rest of the intelligence community such that you are seen as a valuable contributor to the intelligence process.

Lieutenant General HUGHES. I think that is right, that you do have to contribute. I think we are beginning to contribute something that is somewhat unique. I refer to it as domestic information. In the situation here in the United States, we are in partnership with the FBI that involves the concept of law enforcement information and intelligence all together to inform decision-makers and responsible parties about the context in which things are happening, and about potential events. This is not spying on the American people in any way, but it is understanding that there are persons inside our society and coming towards us who would do us great harm. We have to know where those people are, who they are, what their capabilities are, and what the potentialities are.

The Department of Homeland Security represents unique capabilities in that regard. We are the people who inhabit and control the borders. We are the people who inhabit and control the borders. We are the people who take care of the brown water on the shores of our nation. We are the people who sense the environment to protect important persons from harm. We are the people who administer the safety of our transportation system.

No one else does these things. I believe we are being recognized as bringing unique and very valuable, not only information, but skills and capabilities to the table. I will have to tell you that I still detect some resistance, among others, to mention of those ideas in the context of the Department of Homeland Security.

There is still sort of a default mechanism out there that when you talk about transportation security, and you might say TSA. If you talk about the Coast Guard, you talk about the Coast Guard. But over time, some development of the concept of an umbrella organization is gaining strength and will come to fruition. That would be the development of a very valuable concept for the Department of Homeland Security, which can achieve intra-component synergy among all of these capabilities.

The simple answer is, yes, we bring something to the table, now and more in the future.

Mr. LANGEVIN. I see my time has expired. Thank you for your answer to the questions, and again thank you for your service.

Lieutenant General HUGHES. Thank you.

Mr. SIMMONS. [Presiding.] I thank the gentleman for his questions. If he refers to the bipartisan Senate Intelligence Committee report of last year, the first eight conclusions deal with issues of group-think, and a contributing factor to group-think is a lack of information.

The gentleman from California is recognized, Mr. Lungren.

Mr. LUNGREN. Thank you very much, Mr. Chairman.

Thank you for your testimony, General, and thank you, more importantly, for your lifetime of service. We all appreciate that.

Could you give us an idea of where you think your department's information analysis capability is right now? That is, if you have to say that complete success would be a 10, and we know we could never get to a 10; maybe 9 is what we can achieve because we are always changing for that last one. As you leave, where do you think it is?

Lieutenant General HUGHES. Five to six.

Mr. LUNGREN. If it were five to six, for us to get up to nine, what are the very specific two or three priorities that you would have the department emphasize with your successor?

Lieutenant General HUGHES. The kind of experienced, analytic workforce, public employees that we can depend upon over time, that will stay in this occupational field and continue to do this work for a long period of time. This is not conventional or routine intelligence work. It is different.

Second, improvement on facilities. The facilities are inadequate to the task. We need support in that area.

Three, you need a full understanding of the remainder of the intelligence community about what it is that we are doing, why we are doing it, and how we are doing it. I think that is the third item on the list for a reason. That is the lowest priority. The first two are vital.

I would mention that we need more time. Everyone keeps saying, and I heard the Chairman mention a "two-year period." It is true that we have been in existence for over two years, but I can tell you that we were not functional when I arrived on 17 November, 2003, in the intelligence business. We had 27 people; we could not do the job. Time period has to be measured in capability and effectiveness. We were not effective. We are not completely efficient and we are not as good as we should be. The progress is real. We just need some more time.

We also need more people of the right kind, government employees, better facilities and structures, and we need understanding and support.

Mr. LUNGREN. General, when I was Attorney General of California, one of my responsibilities was the head of WSIN, the Western States Information Network, one of the RISSes around the country. Are we utilizing the RISSes around the country effectively in information gathering and sharing?

Lieutenant General HUGHES. Probably not as effectively as we should. That is a process that we began this past summer by having people from all of the states come here to Washington. We began to inform them about the methods of information sharing at that time. We have a plan in place to have that same kind of gath-

ering again this summer, and we are sending out mobile training teams who help people understand how things can be improved in that regard.

Mr. LUNGREN. Let me ask the question this way: Are we utilizing the RISSes as a platform to provide information to you? Or are you duplicating or replicating that?

Lieutenant General HUGHES. We are using the RISS, the law enforcement network, and others to the degree that we can. It is a cooperative effort.

Mr. LUNGREN. Okay. Sure. I know you are loath to criticize anybody, and I will not ask you to do that here, but I will just give you some insights I have received from some law enforcement people on the ground or in middle-management positions. They still find a reluctance to share information from the feds on down, specifically with the FBI. I would normally say, "Well, you are always having grousing like that," but when I was Attorney General, frankly, I can tell you it was very serendipitous as to whether or not we got a spirit of cooperation from the feds, whose need to know seemed to be the feds need to know, but you do not need to know.

Much information in the domestic arena, frankly, can be gathered as well and sometimes even better by the many more law enforcement officers we have at the local and state level than we do not the federal level. They are much closer to the street. They have more contacts. They may not have all the contacts in the specific terrorist organizations, but they have contacts with a lot of people that may come into contact with them. It is debilitating for them to be viewed as second-class citizens, and to have the feds say, we have the view, we have the mileage, we have the right to know, and you do not.

I see it expressed in this way. That is, with the color code system we have and the alerts that they receive, they told me that oftentimes they would receive these alerts without really underlying information. So they were told generally speaking the threat assessment was higher, but they did not have real information therefore to respond to that. That, to me, suggests an underlying lack of trust of local and state government that still pervades the federal establishment. Can you tell me whether you have seen that, number one; and number two, if you have, what steps in particular has your department taken to try and break that down?

Lieutenant General HUGHES. First, everything you said I have heard. We may know the same people.

[Laughter.]

Mr. LUNGREN. We will not put that on the record.

Lieutenant General HUGHES. I have to tell you that I think it is absolutely accurate. The phenomenon of the arrogance of the federal establishment in relationship to the state and localities with regard to information is well known.

Mr. LUNGREN. Well, members of Congress excepted, of course.

[Laughter.]

Lieutenant General HUGHES. Sir, you can believe whatever you want. I have heard a lot about this.

[Laughter.]

Mr. LUNGREN. Better watch it, General. Be careful there.

Lieutenant General HUGHES. I have to tell you that I think it is an accurate portrayal. The local effort feels like they are second-class citizens because of the attitude that is conveyed to them by some federal officials.

I do not think that is across the board. I think it is somewhat circumstantial, but nevertheless, it is a fact.

What we have done is, first, we are sending out a lot more information; that is simply a fact. We can prove that by simply showing you the documents we now send routinely to the states and localities. We did assemble them here, and we are going to assemble them here again this year. It is a participative effort. Admittedly, it was not much of a dialogue. That is too bad, but in the first instance we had a lot of things to put out to them. And they actually thought it was very worthwhile.

This summer, we have meetings here in Washington again over a three-to four-day period. We hope to make it more of a dialogue and we will hear from that more.

By the way, we have this in August, so if there is any possible way we could get a Congressman or a Senator to come and meet before that group and give your views, we would really appreciate it, because this kind of interaction is vital.

We have also established, and we are establishing over time, relationships with people. Some of these relationships are very circumstantial and short-lived. I did not meet the sheriff of Las Vegas, even though I had telephone conversations with him and talked to him on a couple of occasions. I never met with this gentleman personally face to face until a few days ago. Indeed, when I met with him, he had his share of complaints.

But he is the guy in charge of Las Vegas. What do I know about Las Vegas? Nothing. I am completely dependent on him to know primarily what is going on in Las Vegas.

However, he recognizes, I think as most localities do, that occasionally, especially in the world of terrorism, big problems can come toward specific towns and cities that the town and city do not know about. That is a fact. It is the nature of the larger world of intelligence and counterterrorism. They do not come and rest and stay in exactly the target place, so that everybody and their brother gets to know them. They project themselves into these environments and, usually relatively rapidly in the target area, take action.

So we are trying to get a mutual understanding of the phenomenon. We do at the national level, at the federal level, have something to contribute, and we should contribute that by passing it to the states and local authorities, and we are trying hard to do that. We have made improvements, and if they were sitting here in this room, I think they would say that. I think they would say, yes, things are better than they used to be.

Mr. LUNGREN. Thank you, General. Mr. Chairman, could we ask the staff to work with the General's staff for us to be able to see when threat assessments are made, the level of information that is given to local jurisdictions, so that we might be able to see what we are really talking about, because I have had these complaints from law enforcement saying they have inadequate information

once a threat level is given to them. Maybe we just need to look at it ourselves.

Mr. SIMMONS. I would be happy to do that. I began my political career as a police commissioner, and in the post-9/11 environment, the new model is not local, state, federal each doing its own thing. The new model is communication between all levels. I know the Ranking Member has expressed to me her frustration over the same type of issue. My guess is that this is an important consideration for this subcommittee, and we will certainly look into it.

Lieutenant General HUGHES. If you do not mind, I must give you just another piece of information.

Mr. SIMMONS. I do not want to deny you, but the distinguished lady from Texas, her questions, I know she has been here for a while, so make it brief, General.

Lieutenant General HUGHES. Okay, I will make it brief. The question you posed to me was in the context of the homeland security alert system, the changing of the colors. It is true that in the initial application of the changing of the colors, not much information was given. It is increasingly true, has been over time, since the Christmas 2003 and January, February, and March 2004 period, we have given more information. I will make sure you have the context of the question, there. But I think it is a very good thing to ask, to have us give you a better characterization of how much information we are giving out.

Mr. SIMMONS. The distinguished lady from Texas, Ms. Jackson-Lee.

Ms. JACKSON-LEE. I thank the Chairman and the Ranking Member.

General let me thank you for your service, and try to go quickly through my questions because of the time.

I believe that one of the aspects of the IAIP's most important issues is the analyzing and integrating terrorist threat information and making sure that amongst any other agency that we relate to the homeland, I think of the FBI and the CIA as having their own constituency bases, even though we are trying to work very hard at the integration of those agencies, really in terms of fighting terrorism, the Department of Homeland Security signified to America that we are focused on their needs and providing them with the intelligence they need to understand the terrorist threat and to fight terrorism.

As I look at the budget, and I know that this is particularly related to the intelligence needs, I think a point worth noting is that the President's budget indicates that government-wide spending for homeland security increases really overall by \$1 billion. To put this in perspective, we all know that we are spending about \$1 billion a week in Iraq and probably other added dollars in Afghanistan. In particular, I believe that there is an intent to hire an additional 73 more employees, and also to seek ways of improving our ability to analyze and integrate terrorist threat information, map threats against our vulnerabilities and implement actions to protect American lives.

I know that we are going to lose your talent in March, and again let me thank you for your service, but how are we going to do that when we are looking at a potential cut of \$20 million? Might I add

to that question a statement that you made in your speech when you were able to say that we were able to connect the homeland security information network with the regional information sharing system, and I think the previous question raised that question. You yourself said that one needs to be achieved, but we are on the right track. If you could expand on what you gave to Congressman Lungren, and talk specifically about the ability to hire employees and try to improve what we are trying to with this budget cuts.

Lieutenant General HUGHES. If I understand the question right, ma'am, the budget cut is not an assured thing. The Department of Homeland Security expects plus-up in our overall budget as you described, and we do not expect for the budget to be cut back. That is our hope.

Ms. JACKSON-LEE. But if it is cut back, then you will have difficulty fulfilling your mission. Is that correct?

Lieutenant General HUGHES. That is true. That is correct. I would certainly hope that that does not happen.

With regard to the idea of whether or not we can do the job and how well we can do it, the connectivity that we have out there with the RISS system and the LEO system and others, this is an evolutionary thing. We just discovered not long ago a system that is run by the Federal Protective Service, which is part of the Department of Homeland Security, which is a portal into law enforcement information the Federal Protective Service holds. That is within our own department and we did not know it existed until not long ago.

So we are learning. We are developing over time. A lot of these things, even though they may seem self-evident, they are not. We have had to ferret them out. I think we are continuing to make good progress.

The answer I would give to you and to the person who asked the earlier question is, connectivity is almost everything. If we do not have that, and I think the Chairman is familiar, information not shared is worthless. That is it. That gets to the central idea here. We can get the information. The next imperative is to share it. That is what we are all about. So we have been trying to build and make this interconnected network a system of systems, whatever names you want to apply to it. We want to make sure it is interoperable, that it has enough elements of commonality so that we can pass information horizontally and vertically throughout the system. That is what we would like to do.

Ms. JACKSON-LEE. Mr. Chairman, I appreciate the General's views, and Ranking Member, sort of focusing on our questions, but let me just say that this exercise poses a very difficult challenge, because it is very difficult when you have overlapping committees of jurisdiction such as the Budget Committee. Your expertise and the Ranking Member's expertise on some of the aspects of this, still the time is not long enough to sort of probe General Hughes and the knowledge that he has.

Two points I think are key to this, and I would start out by saying that homeland security connotes security of the homeland. People think of the FBI and CIA, so you have a great responsibility. I think that this one sentence that he has, the pages are not numbered, but when he talks of RISS and the law enforcement online, one needs to be achieved, I think in our work we need to focus in

on whether we have appropriate resources to make sure that the communication is going on in the homeland with law enforcement.

Another point is, and I think it is very important, is this right-to-know rule. We look forward to your expertise, but I wonder whether or not this committee will have oversight to be able to refine that in this new post-9/11 era. For example, and I will close on this note, General Hughes, there is something called OTMs at the border, the southern border, other than Mexican nationals coming across. That has taken a new life, that there are potential individuals coming across that border that may do us harm. The border patrol agents then become a greater force with respect to their need to know, and they need to know classified information or information at a very high level. I am not comfortable that even in this budget oversight we have focused on it.

General Hughes, I thank you for the one very great point that you said, if we cut the budget and do not provide you with the resources, you are not going to be able to do the job. I think that is our responsibility.

I yield back, and I thank the Chairman for the additional time on the clock. Thank you.

Mr. SIMMONS. I thank you for your comments. I think we are all aware that this is the first hearing of the permanent subcommittee. It is historic in that regard. The opportunities for us are pretty dramatic, but the challenges are also great. It is an area where we have to work together and share together to be successful. I thank you for your comments. I think they are right on the dime.

We will keep the record open for 10 days for any additional written comments that anyone may wish to submit. I have a few remarks to make as closing remarks, but I would like to recognize my Ranking Member, if she has remarks she would like to make.

Ms. LOFGREN. This is just the beginning, obviously, and General, we do appreciate your being here today, even though we will not be seeing much of you for long. I think certain questions have become more ripe in our minds as we listened to you. The connectivity of the system obviously is important, whether it is the Internet or whether it is intelligence. Therefore, we are dependent on agencies both within DHS, but also without. So we certainly cannot do it today, I am thinking about the FBI system that we had great promise for, but did not produce, and how that is going to impact DHS.

I have spent 10 years on the Judiciary Committee paying attention to immigration, and I am very well aware of the deficiencies in the technology and that aspect, and the impact it has on the ability to gather information that then could be shared. So I am hopeful that as we move forward in this year that we will be able to look at those as they connect and maybe get some improvements that will make us all safer.

I did want to just follow up very briefly in writing, but comment that I am concerned about the "need to know" information issue. Certainly, the Congress cannot micromanage an intelligence agency. It would not be proper, but I am concerned that if that is an ad hoc decision being made in the agency, then we have maybe failed to actually have the policy, the "who voted for" implemented. I think we have to explore that further, Mr. Chairman.

Finally, my colleague from California mentioned the frustration that local agencies have. I think that has improved somewhat with Director Mueller and the FBI task force. At least the feedback I am getting from law enforcement is much different than I used to. But what I am hearing from local law enforcement is that they never hear from DHS. It is invisible to them. So I think we need to sort through and be parochial. There are more people living in Los Angeles County than there are in over 20 states, and how we are dealing with the gigantic nation-state of California and whether that system is going to work for that state or not, and how we might format it so we really do have a system that is slick and works and protects us.

I thank the Chairman for recognizing me.

Mr. SIMMONS. Thank you.

Just very briefly, back in 1981, I became the staff director of the Senate Intelligence Committee, working for Senator Barry Goldwater as the Chairman and Senator Daniel Patrick Moynihan as the Vice Chairman. Try that one on for size, staff. The Chairman is Senator Goldwater. Well, you are too young to even remember who he is; and the Vice Chairman was Daniel Patrick Moynihan, a good Republican and a good Democrat. One from the west and one from the east; one conservative and one liberal. I sat and worked with them for 4 years as they initiated what I consider to be professional congressional oversight of the intelligence community.

I learned about the value of bipartisanship, and I learned about the value of listening to others when it comes to the intelligence business. I learned that you can put those differences aside if you are focusing on a common goal, which in that case was to build the intelligence community to preserve and protect our values and our people and our country.

Regrettably, on 9/11 we failed in that regard. So the mantle has been passed to another generation of members of Congress and another generation of members of the staff, to do what we can do to preserve and protect our homeland, while at the same time preserving and protecting our civil liberties. That is an awesome challenge. In those days 25 years ago, we did not have a hearing room or spaces that were ours. We occupied the auditorium in the Dirksen Building. Today, we do not have a hearing room, I do not believe. We are looking for one, although this is much better than the auditorium of the Dirksen Building, I can assure you.

But we should not let these little logistical challenges get in the way of the important work of this subcommittee and of course the important work of the full committee.

I will leave you with a final thought. For the 4 years that I have been a member of Congress, I have never changed the license plate on my car. I know some immediately go out with a screw driver and put on that lovely congressional plate. But the plate that I have on my car has the simple phrase "kung ho," which conveys enthusiasm and excitement, but as we all know comes from the Chinese word "kung ho," which means "work together."

I look forward to working together with the staff, with the members of this subcommittee, with the Administration and others, to pursue the important agenda that we have before us.

Thank you all for being here today.  
And thank you, General, for your participation.  
[Whereupon, at 3:37 p.m., the subcommittee was adjourned.]



## APPENDIX

---

### MATERIAL SUBMITTED FOR THE RECORD

QUESTIONS AND RESPONSES SUBMITTED FOR THE RECORD BY THE HON. BENNIE THOMPSON FOR ACTING ASSISTANT SECRETARY FOR INFORMATION ANALYSIS KAREN MORR ON BEHALF OF DHS

Question: 1. General Hughes, one theme the Department has repeated in describing the President's Fiscal Year 2006 budget is consolidation. I think we all recognize that the current organizational structure at DHS isn't necessarily the best one, and that moving offices or functions can improve performance or reduce cost.

Some agencies, including the office that distributes billions of dollars to first responders, rely on IA for threat information. However, some parts of DHS have their own intelligence departments—including the Coast Guard and Secret Service as part of the Intelligence Community, but also TSA, the Federal Air Marshals, CBP, and ICE. Thankfully, many of these programs are unclassified, so we can talk about their budgets in public. TSA, for example, is requesting \$21 million and 99 FTEs for Fiscal Year 2006.

Question: 1. **Given the trend within DHS for consolidation, for example the transfer of research and development activities to the Science and Technology Directorate, should IA have more control over all the intelligence operations in DHS?**

Intelligence is integral to the successful operations of the Department of Homeland Security (DHS). In our efforts to build a strong Department from its original 22 agencies, it is critical to coordinate DHS intelligence functions. The ability of the Department to conduct its mission is enhanced when components have synchronized intelligence activities. The Office of Information Analysis, in concert with the DHS components that have intelligence activities, is conducting a study with the intent of developing a plan to integrate key aspects of these activities. That study is reviewing several elements of the intelligence program, including mission areas and supporting functions. The results of this study will be presented to the senior leadership this spring. IAIP will continue to work to ensure the Department's intelligence activities are coordinated.

Question: 2. **With the first deadline on the "Information Sharing Environment," as mandated by the recently enacted Intelligence Reform and Terrorism Prevention Act, occurring in less than two months, do you know what will be the role of DHS in operating or setting the rules for the "environment?"**

The first deadline related to the terrorism information sharing environment (ISE) was met. The President designated John Russack as the Program Manager responsible for planning for, overseeing the implementation of, and managing the ISE pursuant to section 1016 of P.L. 108-458. Per our statutory authorities and responsibilities, DHS has a critical role in the development of all aspects of the ISE, including the establishment of the business rules for the ISE. DHS has been actively engaged in the work to date toward developing the ISE and will continue to have an active role in relation to this Department, our stakeholders, and the community at large.

In particular, DHS has a unique role, as defined under the Homeland Security Act, for sharing homeland security information with state, local, and tribal governments as well as the private sector in relation to critical infrastructure. Specifically, Executive Order 13311 delegates to the DHS Secretary the responsibilities for procedures for prescribing and implementing information sharing as defined in Section 892 of the Homeland Security Act (P.L. 107-296). Improving information sharing has been and continues to be a top strategic priority for DHS. The Information Sharing and Collaboration Office (ISCO) was established in DHS to provide focus and coordination for these statutory and Presidential mandates.

DHS is currently a key link among State, tribal, and local government, as well as the private sector critical infrastructure entities. The Department is already operating in critical information spheres (defense, intelligence, homeland security, law enforcement, private sector) and is providing strategic guidance to oversee the development of their intersection and collaboration to produce all information necessary to govern and protect and will coordinate these activities with the Program Manager.

**Question: 3. After the 2004 elections, then-Secretary Ridge said that there had been a decrease in chatter and that the threat of terrorist attack was lower than it had been in some time. Is that still the case, and if so, how do you account for that?**

Beginning in Summer 2004, we began to see a decrease in incoming credible and/or specific information mentioning direct threats to the United States. The reasons for the quantitative and qualitative decrease—which lasted through late February 2005—remain unclear. Since then, we have tracked a number of threat streams deemed credible and/or specific to Homeland-related interests, however we do not know if this is related to the natural cycle of the intelligence collection process or other factors more related to actual terrorist operational planning.

Despite this relative increase in credible and/or specific reporting since late February, we continue to lack information indicating an imminent threat to the United States, as well as the timing, targets, or methodology of any potential operation. While the Department of Homeland Security (DHS) and the rest of the Intelligence Community are still analyzing each particular threat stream, as well as those streams collectively, they do reinforce our perception regarding al-Qaida's ongoing strategic intent to conduct another dramatic attack in the United States. This intent and possible planning is reflected in all-source intelligence reporting, vice a single collection discipline.

We note that the reporting level from vague, low-credibility, or undetermined sources (call-ins, write-ins, walk-ins, media pronouncements, etc.) regarding possible attacks on the Homeland remains relatively constant and numerically more significant than reports from "credible" sources.

**Question: 4. What changes are being considered for the Homeland Security Advisory System, and will the system continue to be used in its current structure?**

The Homeland Security Advisory System (HSAS) has evolved throughout the history of DHS and currently includes the flexibility to assign threat levels for the entire nation, or a particular geographic area or infrastructure sector, depending on the credibility and specificity of available threat information. The HSAS is a collaborative process which takes into account current threat information and incorporates the perspectives of other federal entities (both within and outside of DHS); state, local, and tribal partners; and private sector stakeholders. DHS learns new lessons and continues to improve the system each time HSAS level changes are considered.

