

**THE DEPARTMENT OF HOMELAND SECURITY  
SECOND STAGE REVIEW: THE ROLE OF  
THE CHIEF INTELLIGENCE OFFICER**

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**JOINT HEARING**

THE  
SUBCOMMITTEE ON INTELLIGENCE, INFORMATION  
SHARING, AND TERRORISM RISK ASSESSMENT  
OF THE

COMMITTEE ON HOMELAND SECURITY  
JOINT WITH THE

SUBCOMMITTEE ON TERRORISM, HUMAN  
INTELLIGENCE, ANALYSIS AND  
COUNTERINTELLIGENCE  
OF THE

HOUSE PERMANENT SELECT  
COMMITTEE ON INTELLIGENCE

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**THE DEPARTMENT OF HOMELAND  
SECURITY SECOND STAGE REVIEW: THE  
ROLE OF THE CHIEF INTELLIGENCE OFFICER**

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**Wednesday, October 19, 2005**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON INTELLIGENCE, INFORMATION SHARING,  
AND TERRORISM RISK ASSESSMENT,  
JOINT WITH THE  
HOUSE PERMANENT SELECT  
COMMITTEE ON INTELLIGENCE,  
SUBCOMMITTEE ON TERRORISM, HUMAN INTELLIGENCE,  
ANALYSIS AND COUNTERINTELLIGENCE,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 3 p.m., in Room 311, Cannon House Office Building, Hon. Rob Simmons [chairman of the subcommittee] presiding.

Present from Committee on Homeland Security: Representatives Simmons, Brown-Waite, King (ex officio), Lofgren, Jackson-Lee, Langevin, Meek and Harman (ex officio). Also present: Representatives .

Present from the Permanent Select Committee on Intelligence: Representatives Cunningham, Tiahrt, Rogers, Reyes and Ruppertsberger.

Mr. SIMMONS. The joint hearing of the Committee on Homeland Security Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment and the House Permanent Select Committee on Intelligence Subcommittee on Terrorism, Human Intelligence, Analysis and Counterintelligence will come to order.

The subcommittees are meeting today to hear testimony on the role of the Chief Intelligence Officer of the Department of Homeland Security as proposed by the Department's Second Stage Review. The hearing will consist of two panels of witnesses. The witness for the first panel will be Mr. Charles Allen, Assistant Secretary for Intelligence and Analysis, and Chief Intelligence Officer of the Department of Homeland Security.

The witness for the second panel will be former 9/11 Commission Commissioner, Richard Ben-Veniste, a current member of the 9/11 Public Discourse Project.

As a reminder to all Members, this is an unclassified open hearing. Therefore, the witness may not be able to answer every question fully in this setting. Members can, however, request answers

to questions in writing, or we can schedule a classified briefing for certain questions on another day.

The Department of Homeland Security Second Stage Review, or 2SR as it is known in the Department, was Secretary Chertoff's first action as Secretary of Homeland Security. By initiating a comprehensive review of the Department's organization, operations and policies, Secretary Chertoff recognized that the Department must continue to improve its operations if it is to effectively combat terrorism against the homeland. A major part of this reorganization is the creation of a new Chief Intelligence Officer for the Department by elevating the position of Assistant Secretary for Information Analysis.

Currently the Department has 10 different intelligence offices, including those in Customs and Border Protection, the Transportation Security Administration, U.S. Coast Guard, U.S. Immigration and Customs Enforcement, Information Analysis and Infrastructure Protection Directorate. While the Second Stage Review does not combine these offices into one intelligence entity, the reorganization goes a long way towards more effectively managing the Department's intelligence activities, led by the Chief Intelligence Officer. He will provide intelligence in support of the Department, serve as the Department's primary representative in the Intelligence Community, and will help to better disseminate information and intelligence to the Department's State, tribal and local partners.

What is unclear, however, is how the new office will be able to coordinate departmentwide efforts without having management or budget authority over other intelligence components. While sheer force of personality, experience and expertise may succeed in temporarily bringing the CIA to the forefront of both the Intelligence Community and the Department of Homeland Security, I am very interested to know how you, Mr. Allen, plan to help make that position become an institutionalized presence within the Intelligence Community and within DHS.

We have a long road ahead of us to ensure that this new office can fulfill the vision for DHS outlined in the Homeland Security Act, and we are all interested in hearing your thoughts on how we can achieve this common objective.

Mr. SIMMONS. At this time I yield to the distinguished Ranking Member of the intelligence subcommittee of the Homeland Security Committee, the gentlewoman from California Ms. Lofgren, for her own statements.

Ms. LOFGREN. Thank you, Mr. Chairman. I will not take the entire 5 minutes for my statement, because I know that our second witness Mr. Ben-Veniste needs to walk out of this room no later than 4:30, so on the Democrat side we will ask all Members to submit their statements for the record so we can be sure to hear him.

FOR THE RECORD

PREPARED OPENING STATEMENT OF HON. BENNIE G. THOMPSON

I am very pleased that this Subcommittee is turning its attention to Secretary Chertoff's Second Stage Review and his specific plans for both a new Chief Intelligence Officer and a new Office of Intelligence and Analysis.

I hope that the Department's intelligence efforts will be better than their scheduling skills.

I strongly support Secretary Chertoff's decision to elevate the importance of intelligence analysis within the Department by creating a Chief Intelligence Officer who will report directly to him.

The Chief Intelligence Officer should play a key role in coordinating the efforts of all of the Department's intelligence units and developing a Department-wide intelligence strategy.

Nevertheless, Secretary Chertoff has not added much flesh to the bones of his new approach.

He has not provided specifics about perhaps the key intelligence issue facing the Department:

Specifically, what will the focus of its intelligence work be?

Secretary Chertoff has not offered any specifics about the precise powers that the Chief Intelligence Officer will have, or how the Office of Intelligence & Analysis will be structured.

He likewise has not included any specifics about how information will be shared internally among the Department's various legacy agencies.

Mr. Chertoff also has not articulated any specifics about how the Office of Intelligence & Analysis will serve as the primary connection between the Department and the wider Intelligence Community.

How will it be the primary source of information for the Department's state, local, tribal, and private sector partners?

The Secretary also has not included any specifics about how the analysis shop will avoid duplicating the efforts of the wider Intelligence Community.

Without these details, it is very hard for this Committee to conduct meaningful oversight.

In my view, it is pointless to have a Chief Intelligence Officer who does not have intelligence information that actually advances the Department's homeland security mission.

I look forward to hearing from today's witnesses. I hope they can help us help the Department prepare and implement its mission to prepare for, protect against, and thwart terrorist attacks with specific and actionable intelligence information.

[The statement of Ms. Jackson-Lee follows:]

PREPARED STATEMENT OF HON. SHEILA JACKSON-LEE

On November 25, 2002, the Homeland Security Act of 2002 transferred over 22 federal entities—some intact and some in part—and 180,000 employees into the newly created U.S. Department of Homeland Security (DHS). According to the legislation, the Department's mission is (1) to prevent terrorist attacks within the United States, (2) to reduce the vulnerability of the United States to terrorism, and (3) to minimize the damage and assist in the recovery from terrorist attacks that do occur within the United States. Created as part of the national response to the horrifying terrorist attacks on New York and the Pentagon on September 11, 2001, DHS is the single most ambitious and sweeping bureaucratic initiative undertaken by the federal government to protect Americans against future terrorist threats.

As we all know the purpose of this hearing is to "flush out" the powers, roles, and responsibilities of the Department's new CIO in the wake of Secretary Chertoff's Second Stage Review. More specifically, I hope we will consider what direction the Department's new Office of Intelligence & Analysis (OIA) should take on as it moves forward. I am very interested in probing the specifics of the Secretary's plans for intelligence analysis and to obtain input about this critical mission area. Further, I hope the testimony and questioning will provide me and my colleagues with a greater understanding of how the Department can best leverage available intelligence resources—from both within the Department and the wider intelligence community—in order to generate intelligence "products" that are relevant to the Department's overall homeland security effort. Those products should—at a very minimum—help identify threats to both American lives and the nation's critical infrastructure.

Before closing, I feel it is important to say a word or two about The Department of Homeland Security FY 2006 Budget which includes more than \$30.8 billion in net discretionary spending—a 4.7 percent increase over FY 2005. In total, with mandatory and fee-based programs, the DHS budget for FY 2006 IS \$40.6 billion. More specifically a few areas worth mentioning are:

**Strengthening Border Security and Interior Enforcement**

- Customs and Border Protection will receive \$5.95 billion in direct funding to strengthen border security with additional personnel, technology and infrastructure including 1,000 new Border Patrol agents and \$270 million for construction including \$35 million to complete the San Diego Border Infrastructure System and \$35 million for other infrastructure needs within the Tucson Sector. Consistent with CBP's proposed consolidation, the appropriators combined all CBP Air assets into a single appropriation. The bill provides approximately \$400 million in this appropriation, including \$14 million for covert aircraft and \$14.8 million for Northern Border Airwing.
- Within Immigration and Customs Enforcement (ICE, the bill provides a total of \$3.9 billion in direct appropriations and fees. Significant increases in funding were provided for detention beds (\$90 million), Special Agents (\$42 million), fugitive operations teams (\$16 million) and Immigration Enforcement Agents (\$9 million).

#### **Increasing Overall Preparedness and Response**

- The FY 2006 Appropriations Act provides \$4.0 billion for a Preparedness Directorate to enhance coordination and deployment of preparedness assets facilitate grants and oversee nationwide preparedness efforts supporting first responder training, citizen awareness, public health, and critical planning functions to build capacity, protect critical infrastructure, and strengthen cyber systems. Grant funding provided through this Directorate includes \$1.155 billion for high-density urban areas, \$550 million for basic formula grants, \$400 million for law enforcement terrorism prevention grants, \$655 million for firefighter assistance grants and \$185 million for emergency management performance grants.
- The Federal Law Enforcement Training Center will receive \$282 million to train federal law enforcement personnel and construct additional training facilities to accommodate the increased number of Border Patrol and Immigration Enforcement Agents that need to be trained.

#### **Enhancing Technology and Detection Capabilities**

- The Appropriations Act provides a total of \$5.9 billion for the Transportation Security Administration, including \$443 million for explosive detection technology. as a result of this legislation, the funding to support the Federal Air Marshals was transferred to TSA as proposed in the Second Stage Review recommendation.
- The Science and Technology Directorate (S&T) is funded at \$1.5 billion, which includes \$110 million for counter man pads research. The bill also provides \$23 million for the National Bio Agrodefense Facility (NBAF) and consolidates research and development funds within S&T.
- The Domestic Nuclear Detection Office is funded at \$318 million to better secure the nation from radiological and nuclear threats.

#### **Strengthening Department Assets and Operations**

- FY2006 Appropriations provides a total of \$6.8 billion for the U.S. Coast Guard including \$933.1 million of the Coast Guard's Integrated Deepwater program.

Ms. LOFGREN. I will simply say that Mr. Thompson and I are very pleased to have both witnesses here today, and we are enthusiastic about the new leadership represented by Mr. Allen. I will say that he has a challenge before him. I think he is well aware of it.

In large measure much of the last 3 years was not used well, and we are way behind from where we should be. In particular, I am concerned that we have yet to see a completed national asset database that accurately and systematically identifies our Nation's critical infrastructure. We have not prioritized the tasks ahead of us. In the last 3 years, in our failure to accomplish many of these important tasks, we have also alienated many of our partners, both in State and local government, and clearly in the private sector where we need cooperation.

So, I look forward to not only hearing Mr. Allen today as well as Mr. Ben-Veniste, but working with him in the year ahead, because it is absolutely essential that we clean up the mess that we

have here and that we do that as a team so that the Nation will be better protected.

I would ask unanimous consent to put my entire statement into the record.

Mr. SIMMONS. Without objection, so ordered.

[The information follows:]

PREPARED OPENING STATEMENT OF HON. ZOE LOFGREN

In July, as part of the Department of Homeland Security's Second Stage Review, Secretary Chertoff announced the creation of a new Chief Intelligence Officer, who would lead a new Office of Intelligence & Analysis. As we now approach the third anniversary on the creation of the Department of Homeland Security, it is fitting that we focus of attention to such an important developments like how this Department handles intelligence issues and challenges.

Like Mr. Thompson, I am pleased to have Mr. Charles Allen and Mr. Richard Ben-Veniste here today to discuss these developments and to help us obtain a greater understanding of what roles the CIO and his office will or should play on a going forward basis.

I strongly concur that the Department—and the various intelligence units located within its legacy agencies—could contribute valuable information to the nation's intelligence efforts and could prove to be a valuable conduit for such information to state, local, and tribal law enforcement officials.

I say *could*, however, because I am cognizant of how the Information Analysis and Infrastructure Protection Directorate quickly lost its way after the Department's creation and how that Directorate has struggled to carve out a meaningful mission for itself ever since.

IAIP has been adrift for far too long, and I welcome the changes Secretary Chertoff is introducing. I believe these changes represent a fresh opportunity to get things right. Before we can understand where the new CIO and the office he will lead should be going, however, I believe that it is crucial to understand where IAIP has been.

Congress intended IAIP to be the nation's foremost intelligence analysis and integration center that would collect, analyze, and disseminate intelligence information about potential terrorist threats to our nation. Indeed, the need for a homeland-specific intelligence effort was one of the primary rationales for the Department's creation.

The Bush Administration, however, had other plans, and removed this function, not once but twice, first to the Terrorist Threat Integration Center—the TTIC—and finally to the new National Counterterrorism Center—the NCTC—last year.

In so doing, the Administration left behind an office stripped of its once broad assessment responsibilities and incapable of completing even the most basic of homeland security tasks.

For example, we have yet to see a completed National Asset Database that accurately and systematically identifies our nation's critical infrastructure.

We need such a database in order to help prioritize risks so we can direct appropriate resources to harden facilities against terrorist attack.

Although the vast amount of our nation's critical infrastructure is in private hands, moreover, we also have yet to see the development of a policy to encourage property owners to share sensitive but unclassified information with the Department—a policy that respects not only private sector concerns about competitiveness and liability but also the public's right to know.

We need such a policy if we truly hope to secure the homeland—something that cannot be accomplished without involving both first responders and private stakeholders in that effort.

Likewise, it is still unclear what seat the Department has at the NCTC table.

In order to have real information sharing, we must have a Department that not only can move information up the chain to the wider Intelligence Community but also down from the federal level to our state, local, and tribal partners.

I suspect that Secretary Chertoff's plans for the new Chief Intelligence Officer and Office of Intelligence & Analysis will set the Department on a new, more effective course. I hope that that course will help address these outstanding items.

That course should include a defined intelligence mission that supports the Department's efforts to protect lives and secure critical infrastructure, that seeks to boost the participation of the private sector as part of its work, and finally that raises the profile of the Department within the wider Intelligence Community.

To meet these goals, the Department must clearly delineate what powers the new Chief Intelligence should have to direct a unique intelligence mission. It must develop an office architecture that allows for effective coordination of the intelligence analysis effort across the Department, and it must develop useful intelligence products that are not duplicative of the work already being performed by other intelligence agencies.

To get there, we need specifics. I look forward to hearing from all of the witnesses this afternoon about what roles the CIO and the office he will lead should play, what powers they should have, and what direction they should be taking. I also hope to hear from you how this Committee might help advance these objectives.

Mr. SIMMONS. The Chair now recognizes the Chairman of the Subcommittee on Terrorism, Human Intelligence, Analysis and Counterintelligence of the House Permanent Select Committee on Intelligence, the distinguished gentleman from California, Mr. Cunningham for an opening statement.

Mr. CUNNINGHAM. Thank you, Mr. Simmons. I am saddened that my good friend Mr. Boswell is in the hospital. Ms. Lofgren tells me it is not serious, and he will be back with us. He is a good friend.

Charles Allen, we have known you for many, many years, and I can't think of a better person that could be the Chief Intelligence Officer, and we are glad to have you before us, and the other witness, to learn a few items.

If I was to look out into the audience and ask the audience, what about the CIA or the FBI, they have a pretty good idea in mind of what and picture of what they are supposed to do. But, unfortunately, I think when you say Homeland Security intelligence, it is not well known or well defined on what their implementation is, what their disciplines are. And it is important to know that addressing their plans terrorism overseas is important, but we also need to know what are their plans on terrorists entering the shores of the United States itself. I think there lies basically the definition that we are looking for and the coordination of that.

Mr. Chairman, I thank you for hosting today's hearing, for working jointly with the HPSCI Subcommittee on Terrorism, Human Intelligence, Analysis and Counterintelligence. As you know, better coordination and integration of our intelligence law enforcement function is critical to protecting the American public in the post-September 11 world. We must do all we can to ensure the Intelligence Community and the Department of Homeland Security share information and fuse their efforts in protecting the homeland. And I emphasize share their information.

There are three areas that I would like to focus on, Mr. Allen. One is the training aspect of the people that we have, and that it is across the board the same. The other is the infrastructure, to make sure that you have the facilities, the scifs and the things that you need. Third is to make sure that the coordination—when you take Coast Guard, Customs, Border Patrol, how do you put into their minds now that they have an intelligence function instead of being just a border patrolman; how do you put that to where they can transfer that to the Department of Homeland Security and get it to the right people and get it to the target itself?

I want to thank Chairman King and Chairman Simmons for agreeing to the joint subcommittee hearing on the role of the DHS Chief Intelligence Officer, information-sharing relationship, and make sure it is right. I thank him for working with my full committee Chairman Mr. Hoekstra to make this a reality.

The Department of Homeland Security Information Analysis Directorate mission was overtaken by events. He was going to be everything. He was going to control everything. But then the creation of the Terrorist Threat Interrogation Center, we call it TTIC, and the National Counterterrorism Center. Understanding that the DHS was no longer going to be the clearinghouse for the fusion of terrorist information, Secretary Chertoff launched a review of DHS's organization. Basically, Mr. Allen, where are you going to go from here now that the responsibilities are divided, and how are you going to do it? That is why we are here today.

What brings our two subcommittees today together is obviously the intelligence restructuring within the Department of Homeland Security in one individual, the Chief Intelligence Officer, responsible for coordinating all the intelligence functions within the DHS. Mr. Allen, you are the person. They had written in there, it says, "Mr. Allen, you are the person on the hot seat." I would like to think, Mr. Allen, you are the guy. You are the person that is going to make it happen, not on the hot seat, because we are going to be right there on that seat with you to try to make sure it goes right. How will you consolidate and improve the DHS relationship? What about better leverage with the Intelligence Community?

Mr. Chertoff made a good choice in selecting Charlie Allen as Chief Intelligence Officer. Our committee knows Mr. Allen very well and looks forward to working with him.

All of these things I am going to submit for the rest of the record, but I listened this morning to part of the hearing where former Speaker Newt Gingrich spoke, and he talked about a subject that I believe is the right way to go. The government should be getting the information, getting the intelligence and passing as much information as they can down to the local districts, i.e., New York, i.e., Baltimore, and the local districts make those decisions, right or wrong, based on the information.

It is also the local government's responsibility to let them know how valid they feel that that information is before they can make those acts. But someone in Washington can make that determination, can be totally wrong, but yet it is the people at the local level that could not benefit from that decision. I feel that that is important.

In this hearing I hope we go forward in looking to the ways we are going to improve, and not that we can't talk about New York or we can't talk about the Baltimore tunnel, but ways in which Mr. Allen is going to make this system better and make it safer for homeland security and how you are going to work with the other departments.

Mr. Chairman, I would like to submit the rest of this for the record, because there are about 10 pages, and I don't want to go through it.

[The information is maintained in the committee files.]

Mr. SIMMONS. Without objection, so ordered.

Mr. SIMMONS. We are honored to be joined by the distinguished Chairman of the full Committee on Homeland Security, Mr. King of New York, and the Chair recognizes Mr. King.

Mr. KING. Thank you, Chairman Simmons. I will be very brief.

I want to commend Secretary Chertoff for his appointment of Mr. Allen. This is an appointment which is going to be extremely beneficial to the Department of Homeland Security. Mr. Allen has a very tough job ahead of him not just in the actual mechanics or implementation of establishing the intelligence apparatus in the Department of Homeland Security, but also, as we have discussed, the whole idea of creating a culture within the Department where it speaks with one voice and also with where the intelligence is properly used and assessed.

As far as the issues involving New York and Baltimore, Mr. Allen and I have discussed that. I am convinced those matters have been resolved and certainly worked out as far as the future is concerned. I look forward to working with him. Again, I wish him well, and I commend Chairman Hoekstra and Chairman Cunningham for working with Chairman Simmons in putting this committee together. I look forward to the testimony.

Thank you.

Mr. SIMMONS. I thank the Chairman.

The distinguished Ranking Member of the full Permanent Select Committee on Intelligence has joined us, the distinguished gentleman from California Ms. Harman. We yield to her for an opening remark.

Ms. HARMAN. Thank you, Mr. Chairman and all the other chairmen and chairwomen sitting up here, and hello, Charlie. I hope your foot is better. I have been instructed to rush through this because our next witness has to leave by 4:30, and he is a good friend as well.

Let me just say briefly I have a unique vantage point, perhaps because I serve on both committees; I am Ranking Member on the House Intelligence Committee. I have applauded the vision of DHS Secretary Chertoff in making certain finally that the intel function of his Department works. He has hired the right guy. Now the right guy has got to get traction and become what he can be, which is the integrator across the community for accurate, timely and actionable threat information.

We had what I would call two meltdowns in the last 2 weeks. I don't think DHS was the kind of player in that that it needed to be. I am just hoping we will hear from a very, very capable man how he is going to make this whole thing work better. I would like to say work excellently very soon. Our security depends on it.

Thank you, Mr. Chairman.

Mr. SIMMONS. I thank the distinguished Ranking Member.

In accordance with the discussion prior to the conduct of this hearing, we agreed that we would limit opening statements to those who are Chairs or Ranking Members of the requisite committees. Other Members can insert an opening statement in the record, and we will reserve questions for members. They will have 5 minutes to ask in order.

Mr. REYES. Mr. Chairman, I have a statement for the record on behalf of Congressman Hastings, our Ranking Member, if I can just insert it for the record.

Mr. SIMMONS. Without objection, so ordered.

## PREPARED OPENING STATEMENT OF HON. ALCEE HASTINGS

I am pleased that we have Mr. Allen and a distinguished panel of outside witnesses to discuss the challenges facing intelligence programs at the Department of Homeland Security in the wake of the Department's "Second Stage Review."

Mr. Allen, I would like to congratulate you on your nearly 50 years of service in the Intelligence Community. In your most recent job, as the Assistant Director of Central Intelligence for Collection, you were responsible for developing collection strategies to tackle our toughest intelligence challenges. I commend you for your success in that job, and have confidence you will continue to make a positive impact as the DHS Chief Intelligence Officer. I'm sure I speak for all of my colleagues when I say that we want to work with you closely to help you succeed.

Your work will be especially important, because the effective management of intelligence across DHS is hindered by a number of difficult challenges:

- First, *the Department must create a "culture of intelligence."* DHS's thousands of law enforcement agents and security officers do not see themselves as intelligence collectors. They need training to appreciate how information they gather at a border crossing or an airport can support strategic intelligence.
- Second, *the CIO must ensure effective access to information* within the Department, across federal agencies, and by state and local consumers. Recent incidents in the New York subway and the Baltimore tunnels highlight the need for better transparency within the intelligence and homeland security communities.
- Third, *DHS intelligence products and advisories must be detailed and timely* enough to inform actionable security measures at the local level.
- Fourth, *the CIO must coordinate DHS component organizations' intelligence capabilities and requirements*—despite having no formal budget or programmatic authority over their personnel or activities.
- Fifth, *the CIO must ensure that intelligence supports the protection of critical infrastructure*, particularly since the Second Stage Review concluded that the Office of Information Analysis should be separated from the Office of Infrastructure Protection.
- Sixth, *the CIO must manage the hiring, training, career development, and retention of intelligence personnel* across the Department.
- Seventh, *the CIO must secure better physical facilities* for intelligence staff. It is appalling that intelligence staff work in shifts to avoid overcrowding.

I would note that, on April 21, Chairman and I wrote to Secretary Chertoff urging that he make improvements to DHS's physical plant and IT infrastructure. From what I can see, few changes have been made since we sent out letter.

- Eighth, *the CIO must improve IT infrastructure and database access so analysts can examine all available threat information.*
- Ninth, and finally, *the CIO will have to partner with other agencies to surmount turf battles* that hinder the effective and timely sharing of information.

I think I've given Mr. Allen a full agenda of topics to address, as have others of my colleagues, and I'm sure he has come with his own list of topics to address. I look forward to hearing his plans and strategies, and those of our second panel.

Thank you.

Mr. SIMMONS. I also note that there are some Members present who are not members of the subcommittees, but are members of the full committees. I would ask unanimous consent that they be allowed to ask questions.

Hearing no objection, that will take place.

Also our first witness is Mr. Charlie Allen, who was appointed Assistant Secretary for Intelligence and Analysis and Chief Intelligence Officer of the Department of Homeland Security in August of 2005 by President Bush. In this capacity he is responsible for intelligence support to DHS leadership, the Director of National Intelligence and to State, tribal and local governments and to the private sector.

Prior to his appointment, he served as Assistant Director of Central Intelligence for Collection and chaired the National Intelligence Collection Board, which ensured that intelligence collection

efforts were integrated and coordinated across the Intelligence Community.

He has served with the CIA from 1958 until his appointment to DHS, receiving numerous intelligence awards along the way.

We all welcome our distinguished first witness Mr. Allen. Thank you. The floor is yours.

**STATEMENT OF CHARLES ALLEN, CHIEF INTELLIGENCE OFFICER, DEPARTMENT OF HOMELAND SECURITY**

Mr. ALLEN. Thank you, Mr. Chairman. Chairman King, Chairman Simmons, Chairman Cunningham, Ranking Member Lofgren and Ranking Member Harman, thank you for your kind words, and thank you for inviting me here to discuss the role of the Chief Intelligence Officer in the Department of Homeland Security. I will have a very brief statement, and I have submitted a longer statement for the record, if you so agree.

As you know, I will be the first person to hold the title of Chief Intelligence Officer. I feel a particularly strong obligation to the Congress, Secretary Chertoff, my peers in the Intelligence Community, the Director of National Intelligence Negroponte, and the President to make it clear what this position can contribute to the Nation's security.

First and foremost, the Chief Intelligence Officer must be the U.S. Government's leading proponent of a vital type of intelligence, homeland security intelligence. That is not well understood, as I believe some of you have just commented.

Everyone here understands HUMINT intelligence, signals intelligence, imagery intelligence and the other INTs that have served our country so well since the organization of the U.S. Intelligence Community shortly after the Second World War. For a long time, most Americans associated these intelligence disciplines and intelligence as a whole with the pursuit of a foreign enemy on a distant shore.

Then came the September 11, 2001, attacks, and those of us who were not already aware of its existence caught a glimpse of homeland security intelligence in the blinding sunlight of that fateful and terrible day. We realized that it is not enough to know what our enemies are doing. We must know what they are doing to penetrate the air, sea and land approaches to our homeland. We must also discern any threats growing from within our Nation. Then we must take the knowledge available instantly to the men and women at all levels of government and the private sector who have the mission and the means to act against our enemies before they realize their ends.

My goal and my role as Chief Intelligence Officer is to see that homeland security intelligence, a blend of traditional and nontraditional intelligence that produces unique and actionable insights, takes its place along the other kinds of intelligence as an indispensable tool for securing the Nation.

The position I know now hold is not the same one that my predecessors held. Indeed, it is radically different. First, the Secretary intends to rename my organization the Office of Intelligence and Analysis, as the Chairman just indicated, which will make it clear that I am head of an intelligence organization.

Second, I will serve as the Department's Chief Intelligence Officer. That means Secretary Chertoff looks to me first, last and always for the intelligence support he needs to lead the Department, to better detect and prevent planned attacks on the American soil.

Third, I have the Secretary's mandate to integrate all of the Department's intelligence capabilities, not just those of the Office of Intelligence and Analysis, responding to Congressman Cunningham's interest in that.

There is one important way in which I do walk in the footsteps of my predecessors, serving as the Department of Homeland Security's principal interface with the Intelligence Community, and with the Director of National Intelligence. One of the Department goals is to ensure that the Office of Intelligence and Analysis becomes a true peer of other Intelligence Community agencies with all the rights, responsibilities and respect that that entails.

Let me turn to the future. My first priority is to support the Department's leadership and direction of its operational components. Next, DHS intelligence must become fully involved in the Intelligence Community and the National Intelligence Program managed by Ambassador Negroponte. My third priority involves strengthening intelligence support to and information sharing with our Federal, State, local, tribal, territorial governments, and private sector partners. Finally, I will strive to cultivate a rich and new and fresh relationship with the Congress. I don't need to tell you that we are in a very dangerous period, and I need your continued support, objectivity and feedback in order to improve the capabilities of DHS intelligence to help secure the Nation.

The most important challenge we face is a persistent and adaptive enemy determined to inflict catastrophic damage on the U.S. homeland. Virtually any terrorist attack on the homeland that one can imagine must exploit a border crossing, a port of entry, a critical infrastructure or one of the other domains that the Department has an obligation to secure.

DHS intelligence must learn and adapt faster than the enemy so that our Department, with all its partners in the Federal, State and local levels of government and the private sector, have the information edge they need to secure our Nation. As the Department's first Chief Intelligence Officer, I intend to make sure that happens.

Thank you for the opportunity to address this panel. I will be pleased to answer the questions, some of which have already been raised.

Thank you, Mr. Chairman.

Mr. SIMMONS. Thank you, Mr. Allen.

[The statement of Mr. Allen follows:]

PREPARED STATEMENT OF CHARLES ALLEN

**I. Introduction**

Chairman King, Ranking Member Thompson, Members of the Committee:

Thank you for inviting me to discuss the role of the Chief Intelligence Officer in the Department of Homeland Security. As you know, I will be the first person to hold this title, so I feel a particularly strong obligation to Congress, Secretary Chertoff, my peers in the Intelligence Community, and the President, to make it absolutely clear what this position can contribute to the nation's security.

First and foremost, the Chief Intelligence Officer must be the U.S. government's leading proponent of a vital type of intelligence—homeland security intelligence—that is not well understood.

Everyone here understands human intelligence, signals intelligence, imagery intelligence, and the other “INTs” that have served our country so well since the organization of the U.S. Intelligence Community shortly after the Second World War. For a long time, most Americans associated these intelligence disciplines—and intelligence as a whole—with the pursuit of a foreign enemy on distant shores.

Then came the attacks of September 11, 2001, and those of us who were not already aware of its existence caught a glimpse of homeland security intelligence in the blinding sunlight of that fateful day. We realized that it isn't enough to know what our enemies are doing abroad. We must know what they are doing to penetrate the air, sea, and land approaches to our homeland. We must know what they are doing to survey, target, or exploit key assets, symbols of America, and the critical infrastructures upon which we depend for our economic vibrancy—including the Internet. Then we must make this knowledge available instantly to the men and women at all levels of government and the private sector who have both the mission and the means to act against our enemies before they realize their ends.

As I said, this kind of intelligence has always existed, even if we have not always recognized its value as much as we should. My role—and my goal—as Chief Intelligence Officer is to see that homeland security intelligence, a blend of traditional and non-traditional intelligence that produces unique and actionable insights, takes its place alongside the other kinds of intelligence as an indispensable tool for securing the nation.

## **II. Transition from IAIP to OIA**

Before I tell you in more detail how I propose to do this, let me briefly go back in time to the creation of the Department of Homeland Security. Congress established the Office of Information Analysis as part of the Directorate of Information Analysis and Infrastructure Protection, or IAIP. It was one of the only entirely new entities in the Department of Homeland Security, and my predecessors had to create it essentially from scratch. They built a solid record of accomplishment and I owe them a debt of gratitude. I take it as a sign of the maturity of the organization that staff members of the Office of Information Analysis are publishing a range of intelligence products from daily current support to the Secretary to an increasing number of bulletins and special assessments on threat-related topics for state, local, and private sector customers.

But the position I now hold is NOT the same one that my predecessors held. Indeed, it is radically different in at least three important ways. First, the Secretary intends to rename my organization the Office of *Intelligence* and Analysis. This will make it clear that I am the head of an intelligence organization. Second, I will serve as the Department's Chief Intelligence Officer. That means Secretary Chertoff will look to me first, last, and always for the intelligence support he needs to lead the Department, and better detect and prevent planned attacks on American soil. And I assure you, the Secretary is a voracious consumer of intelligence, and he understands how it should be used to catalyze, guide, and inform homeland security operations. Third, I have the Secretary's mandate to integrate all of the Department's intelligence capabilities, not just those in the Office of Intelligence and Analysis. That means the Secretary is counting on me to marshal all the intelligence and information in Homeland Security's component agencies and deliver it to him in a way that he can use to make timely, risk-based decisions about how to deploy the Department's human and material resources. The Secretary expects me to be a dynamic recipient of information. On July 13 he told this committee, “The chief intelligence officer will have the obligation to manage the collection and fusion of intelligence throughout the entire department.” To fulfill this mandate will require an even stronger degree of integration than exists today.

There is one important way in which I do walk in the footsteps of my predecessors: serving as the Department of Homeland Security's principal interface with the Intelligence Community. The Office of Intelligence and Analysis will be one of two DHS entities that belong to the Intelligence Community: the other is the United States Coast Guard. I am aware that the role of the Department in the Intelligence Community is not widely understood. For instance, the Department is scarcely mentioned in the report of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction. That could mean that we have been doing almost everything right and there is little to fix. But I am afraid it means that DHS intelligence has yet to take its place as a fully recognized member of the Intelligence Community. As such, one of the Department's goals is to ensure that the Office of Intelligence and Analysis becomes a true peer of the other IC agencies,

with all the rights, responsibilities, and the respect, that entails. Another goal is to make sure that the next time it becomes necessary to fix U.S. intelligence—and I hope it won't be soon—DHS will be the subject of a chapter on how to do it right.

Before I turn to the future, I want to address one more aspect of the past: the union of information analysis and infrastructure protection within DHS. I hope nobody takes the separation of these two functions as a sign that the original idea of them working closely together was a mistake. Far from it. One of the things that make DHS unique is its ability to bring together threat streams and vulnerability assessments in a methodologically rigorous and action-oriented way. This practice of mapping threats against vulnerabilities is an important part of the DHS intelligence program and we will continue to partner intelligence analysts with infrastructure protection specialists and dedicated support personnel to better understand the terrorist threat to U.S. infrastructure. This joint endeavor between the Office of Intelligence and Analysis and the infrastructure protection elements will provide a significant capability for the Department's new Preparedness Directorate.

You may wonder: if IA and IP are so good together, why split them? I think the Secretary made that clear when he announced his plans to reorganize the Department: he wants to raise the profile of both. For IA, this means elevation to a stand-alone organization, reporting directly to the Secretary, in order to manage the integration of DHS intelligence activities that cut across the entire Department. IA and IP are like two siblings who have grown up together and who now are heading off to bright futures that will be separate but intertwined.

### **III. Road ahead**

#### ***a. Priorities***

Having covered the past, let me turn now to the future. I will start with a brief summary of my priorities, followed by a discussion of how I intend to pursue them.

My first priority is to support the Department's leadership and direction of the operational components. Secretary Chertoff and Deputy Secretary Jackson have broad responsibilities across a complex and multi-functional Department, and I need to keep them fully apprised of what's going on in the area of intelligence. This obligation extends to integrating the intelligence elements of the Department so as to create a unified intelligence culture, improving the flow of intelligence information both horizontally and vertically throughout the organization, and improving the reporting of intelligence information from the Department's operating components and providing actionable, relevant analysis back to them.

Next, DHS intelligence must become fully involved in the Intelligence Community and the National Intelligence Program. This means being a valued contributor to the overall intelligence effort and a trusted recipient of national intelligence information from other agencies. As you may know, our unique functional expertise at DHS resides in our operational components, and a pool of rich information gathered by these components and from our exchanges with state, local, and private sector partners. I am seeing first hand how different functional perspectives coupled with access to component data yield unique analysis and products. DHS's intelligence contribution is its ability to act as a nexus for integration and coordination between domestic and foreign intelligence. We simply cannot afford delays or obstacles to the rapid sharing of potentially valuable information and intelligence from all sources. We need to redouble our collective effort, both within DHS and among the Intelligence Community, to allow the right people to access the right information, on time, for the right customers.

My third priority involves strengthening intelligence support to our state, local, tribal, and territorial government partners. Consistent with the Secretary's emphasis on risk-based allocation of resources, I will focus on supporting major cities and key infrastructure assets, but I also aim to strengthen relationships with all our Homeland Security Advisors, local and government partners, and the private sector.

Finally, I will strive to cultivate a rich relationship with Congress. I don't need to tell you that we are in a very dangerous period, and I need your continued support, objectivity, and feedback in order to improve the capabilities of DHS intelligence to help secure the nation.

Now that I have given you the high-altitude view of my priorities, let me circle in to give you a more detailed picture of how I intend to pursue them.

#### *Support to Departmental leadership and mission*

In testimony before this panel and its Senate counterpart, Secretary Chertoff emphasized that the role of the Department of Homeland Security is not just to "catch the terrorist," as important as that is. DHS is an all-hazards agency and our constituent agencies need support across the full range of their activities. The Office of Intelligence and Analysis is prioritizing tasks and improving the focus of its analytic workforce to better support the Department's core missions of border, transpor-

tation, maritime, and infrastructure security. Our efforts will wed intelligence even more closely to operations.

As I said earlier, Secretary Chertoff has given me a mandate to integrate all DHS intelligence activities. The goal is *not* to create a unitary, top-down, command-and-control structure, but rather to ensure that the intelligence elements of the various operating components contribute to a unified Departmental intelligence picture of the threats our country faces, even as they continue to support the day-to-day needs of their respective organizations. The U.S. military has shown how proud institutions with long and distinguished histories can partake of a joint identity even as they retain what makes them distinctive and valuable. I believe we can do the same in DHS intelligence. We will build a departmental intelligence culture that will be more than simply the sum of its confederated parts.

Prior to my arrival, the Office of Information Analysis prepared an intelligence integration plan that was an important input into the Secretary's Second Stage Review. I intend to use this plan to identify and implement some additional measures that will bring a more corporate approach to the DHS intelligence enterprise in such areas as requirements, analytic standards—including use of alternative analysis, and human capital development.

I also plan to establish a Homeland Security Intelligence Council as my principal forum for discussing intelligence issues of Department-wide significance, developing a Departmental intelligence strategic plan, and driving intelligence component integration. This council, which I will chair, will consist of key intelligence officials from the various DHS operating components.

Improving the flow of intelligence information throughout the Department is a key goal. I intend to make sure that the intelligence information generated by the day-to-day operations of the Department gets to intelligence analysts, operators, and policymakers. Likewise, relevant Departmental analyses need to get to the Border Patrol agent, the Coast Guard cutter captain, and the TSA airport screener in forms they can use. The Office of Intelligence and Analysis is developing several tools to share information. An Intelligence Production and Dissemination Suite will incorporate automated tearline production and classification review as well as metadata regimes that comply with prevailing Intelligence Community standards and incorporate indispensable privacy protections to facilitate delivery of intelligence to the users who really need it. Another tool that we are exploring would maintain "smart" databases and archives for improved accessibility and dissemination of finished intelligence products to federal, state, local, territorial, and tribal customers, with cross-matching of security clearance status connected to privacy safeguards and cross-cutting dissemination across communities of interest. We are also developing an in-house capability to produce high-quality printed materials, including guides and analytic products, at all classification levels to serve internal and external consumers.

Perhaps the most important information-sharing initiative we are undertaking is a reports officer program designed to extract and disseminate the intelligence information generated by the day-to-day operations of the Department's frontline elements such as Customs, the Border Patrol, and TSA. The Office of Intelligence and Analysis currently has a small cadre of reports officers at DHS headquarters reviewing operational data and determining its intelligence value. Within its first year of operation, this program has disseminated more than 1,000 Intelligence Information Reports, or IIRs. The next phase of the program will place reports officers in the various DHS component headquarters to review information closer to the source. We are also considering placing reports officers in DHS component field offices, and state and local intelligence fusion centers.

This program, once fully staffed, integrated with privacy sensitive practices, and assimilated with the necessary tools and capabilities for information delivery, will exemplify the unique value that DHS brings to the Intelligence Community. Our aim is to better identify "dots" that matter for analysts to connect and, working with state and local partners, develop trends analysis and context, thereby increasing the likelihood that relevant federal, state, or local actors will be able to disrupt or mitigate the effects of terrorism and other hazards.

The Office of Intelligence and Analysis is committed to work with the Department's Office for Civil Rights and Civil Liberties and the Privacy Office to ensure that civil liberties and privacy concerns are addressed and protected in operations and information sharing activities. This is particularly important with regard to information sharing with private sector partners. Certainly, we respect the need to ensure privacy protections in any information sharing scheme. As Secretary Chertoff has said, "we must calibrate an approach to security that incorporates prevention and protection into our lives in a way that respects our liberty and our privacy, and fosters our prosperity." Thus, the systems, interactions, and relationships we build

will reflect the prominence of privacy while at the same time putting the right information at the right place at the right time.

*Participation in the Intelligence Community*

All of the things that we are doing to improve our support to the Department and its leadership also strengthen our participation in the Intelligence Community. I will highlight some of the additional measures we are taking to ensure that we are a valuable, and valued, member of the IC. We will soon begin entering information about our analysts in the Analytic Resources Catalog, or ARC, a directory of IC analysts searchable by, among other things, areas of responsibility and specialization. We are also integrating our best people with other IC elements, and simultaneously inviting their best people into our organization, consistent with the intent of Congress as expressed in last year's Intelligence Reform and Terrorism Prevention Act. This includes sending several representatives to the Office of the Director of National Intelligence.

One area I am particularly intent on improving is the use and standing of DHS intelligence officer staff representation within the National Counterterrorism Center, or NCTC. We are preparing a plan that will improve NCTC's access to the homeland security intelligence that DHS maintains as well as to our analytic expertise in such areas as border, transportation, and maritime security. I have spoken with Admiral Redd, the Director of the NCTC, and we agree that DHS has valuable information and capabilities to contribute to the NCTC's vital mission. As you know, liaison officers assigned to and from other Intelligence Community elements are a key to successful collaboration and enhance the overall sense of community in our business.

One important way in which we participate in the Intelligence Community is through our management of the National Intelligence Priorities Framework's Homeland Security Topic. In addition, we have led the requirements process to ensure that this topic reflects not only the Intelligence Community's priorities, but also those of our federal, state, local and private sector stakeholders. To strengthen our role in the Intelligence Community as the principal entry point for state, local, and private sector requirements, we will extend to this set of partners the automated capability to submit requirements for intelligence information.

*Support to state and local governments and the private sector*

The Department of Homeland Security was conceived in the expectation that it would marshal the resources of state, local, tribal, and territorial governments and the private sector in a way that was desperately needed but had never been done. The Office of Information Analysis pursued this objective with vigor, and the Office of Intelligence and Analysis will continue to do so.

Everything we do to support the Department and the Intelligence Community also strengthens our ability to support our state, local and private sector partners. However, I wish to highlight a few additional measures. DHS is supporting the efforts of a number of states to create and develop state and local fusion centers to support interoperability. The Office of Intelligence and Analysis is actively working with state and local partners on determining how best to engage with these centers. Another initiative responsive to our state and local stakeholders is the recent roll-out of a classified version of the Homeland Security Information Network, or HSIN. The unclassified HSIN is being used in all 50 states to share information between DHS and states and some local officials on a range of homeland threat, protective, and response issues. We are constantly striving to add functionality to both versions of HSIN in response to the needs of our state, local, and private partners.

*Congressional relations*

I am mindful that to fulfill my obligations to the Department, the Intelligence Community, and the Department's state, local, and private stakeholders, I will need the support of Congress, including this committee, its counterpart in the Senate, and the House and Senate intelligence and appropriation committees. I aim to build that support in a number of ways. The first, of course, is by speaking with you in open sessions such as this as well as in closed sessions when appropriate. But if I were to limit myself to hearings, I would be doing you and myself a disservice. I believe in the power of bagels and coffee to build good working relationships, and I hope I can attract a number of you, as well as your key staff members, to our campus in Northwest Washington for breakfast meetings to exchange information and views. Finally, one of my management goals is to strengthen our preparation of budget submissions, and responses to Questions for the Record. I want to make sure that you get high-quality submissions from us because it is manifestly in our own interest, as well as yours, to do so.

### ***b. Challenges***

I would be remiss if I failed to mention the challenges the Chief Intelligence Officer will face in the coming months and years.

First, we face the challenge of securing our place in the Intelligence Community. I hope that by carrying the banner for homeland security intelligence, I can help our peers in the IC appreciate the unique contribution we make to the security of the nation. I realize that this process of winning acceptance must occur in the difficult context of a much wider Intelligence Community reorganization that has a number of agencies adapting to changing roles and missions. That is why we stand ready to work with our fellow agencies to increase mutual understanding, strengthen vital partnerships, and build a culture of information sharing.

Many of the initiatives I have outlined above require sufficient staff and adequate space. I understand that some on Capitol Hill have the impression that we can't fill the billets we have. While perhaps understandable, this impression is mistaken. When I assumed my duties last month, 94% of the billets in the Office of Intelligence and Analysis had an incumbent or an inbound staff member. We are addressing these internal issues, and are applying our best energies to external challenges as well, with all haste. Our sense of urgency cannot be higher.

### **IV. Conclusion**

As I conclude, I want to take care not to leave you with the impression that all the challenges we face are ones of management and resources. The most important challenge we face is a persistent and adaptive enemy determined to inflict catastrophic harm on the U.S. homeland. Virtually any terrorist attack on the homeland that one can imagine must exploit a border crossing, a port of entry, a critical infrastructure, or one of the other domains that the Department has an obligation to secure. DHS intelligence must learn and adapt faster than the enemy so that our Department and all its partners in the federal, state, and local levels of government and the private sector have the information edge they need to secure our nation. As the Department's first Chief Intelligence Officer, I intend to make sure that happens. Thank you for the opportunity to address this panel today. I would be happy to answer your questions.

Mr. SIMMONS. I will begin with one or two questions myself, and then I will go back and forth to my colleagues in the same order that we began.

You mentioned a couple of things. First of all, traditionally we as Americans have associated intelligence with HUMINT, SIGINT, IMINT and the various INTs. We have also associated American intelligence with secrecy. We have focused our intelligence efforts largely abroad and left law enforcement at home to the Federal Bureau of Investigation, State and local police activities.

Now we have the responsibility to secure the homeland, so the question is, will we be creating a new secret organization that may raise issues of first and fourth amendment rights, or will we introduce another INT into the equation, which is OPINT, which is open sources of intelligence, which carry two benefits: One, it allows us to collect openly and not clandestinely within our own borders from publicly available information, but, secondly, eliminates the problem of security clearances when it comes to information sharing. That would be my second point.

Information sharing is not the culture of the Intelligence Community, and yet information sharing must become part of the culture of Homeland Security, because if the Federal, State, tribal and local entities don't share information, I don't see how they can deal with the multiple problems that we face.

So I would ask you to respond on those two points, open sources of intelligence and information sharing.

Mr. ALLEN. Well, I am pleased that you raised both of those issues, because those are precisely areas where I intend to make improvements.

I worked in that world of great secrecy for quite a number of decades, and, of course, much of the information that we still receive is highly sensitive and highly secret from the traditional foreign Intelligence Community. At the same time, I think there has been a slow recognition on the part of the U.S. Intelligence Community to recognize the value of open source intelligence.

For example, the 9/11 Commission made a very strong statement. The WMD Commission, I think, was even stronger in the need for better exploitation of open source.

During the Cold War, about 1 percent, I think, of our National Foreign Intelligence Program went to open source. After the Cold War was over, it declined to about a 1/2 percent. I have been a long advocate to increase that. I do believe that our definitions of open source have been too narrow. I believe commercial imagery is open source. And one of the things that I wish to do in working with the Director of National Intelligence Ambassador Negroponte and with the U.S. Intelligence Community is to try to enhance that. I think we can build a very substantial program of our own within Homeland Security, and I certainly intend to try to do that and to come back to you with what is needed in terms of resources.

At this stage Ambassador Negroponte is still sorting out how to meet the recommendation of the WMD Commission on open source, but he is very committed to it, and so are many of his deputies, such as Mary Margaret Graham, who is the Assistant Director of National Intelligence for Collection.

On the second issue, on information sharing, this is a somewhat different world for me, but I think that my predecessors have laid a good baseline to get information out to State and local and the private sector. Secretary Chertoff has continued the National Infrastructure Advisory Council, which really does have some very prominent people from across the sectors of U.S. private sector. There are about 17 sectors with which we work.

We work very hard if there is threat information to ensure that the collecting agency, the originating agency, provides those terror lines, whether it is from one of the intelligence-gathering components within DHS which do collect intelligence, as well as from the U.S. foreign Intelligence Community.

I have seen great strides on the part of foreign Intelligence Community. Now it is up to us to push that information out quickly and timely to those who may be under threat. And, believe me, there are threats. As the President said the other day, there have been threats disrupted, several, up to 10 and more, and including 3 in the United States.

So, we intend to share and to work it hard.

Mr. SIMMONS. I thank you for that response, and I note that if the open source intelligence is produced organically within your shot, it is your call as to how it is disseminated.

The distinguished Ranking Member.

Ms. LOFGREN. Thank you, Mr. Chairman.

In terms of the sharing of information, we have been apprised of the Homeland Security Information Network, which was designed, envisioned for other things, to strengthen the flow of real-time threat information to State, local and private sector partners at the sensitive but unclassified level. We just recently heard that the

Joint Regional Information Exchange System, which is a major information-sharing initiative that includes intelligence directors from New York, Washington and Los Angeles, recently announced that they would no longer be cooperating with the Homeland Security Information Network.

I am interested in what your view of this development is, and, if you think that it is a problem, what processes you might use and how we might assist to address the rift.

Mr. ALLEN. Thank you, Congresswoman.

On the Homeland Security Information Network, that is a much broader capability that has been developed with far greater capacities than the JRES, the law enforcement network that began, I believe, informally back in 2002.

The Homeland Security Information Network really includes a flow of information not just to law enforcement, but to Homeland Security, to State and local at all levels, as well as to law enforcement, and certainly out to the private sector. So this is something I believe that the HSIN, as we call it, as it continues to strengthen, will become the overarching capabilities.

This is not something with which I have great familiarity, having just arrived 3 weeks ago, but it is my understanding that JRES did very fine information sharing informally among a variety of law enforcement agencies, a volunteer effort, but it did not include the broader community, nor does it have quite the information handling capacities as the one developed by Homeland Security.

I think this will work its way out. I know that our Director of Operations, General Broderick, Matthew Broderick, is going to be talking to the Congress on this issue.

Ms. LOFGREN. All right. I am interested, as we discussed recently, in the use of technology in connecting information, and there are some elements of the Department that are—to say technologically challenged would be kind.

I am wondering how you as the Chief Intelligence Officer will make intelligence information available to the intelligence units that exist within the Department's legacy agencies, some of which do face these tremendous, as we discussed yesterday, technology challenges, and whether you have some thoughts to create a common database or other repository, and, if you do, what your thoughts are in terms of protecting legitimate privacy issues so that only those who have a need to know actually do have access.

Mr. ALLEN. Thank you very much for that question. I agree with you. Individually within, for example, the Customs and Border Protection Agency or component, they do have some very remarkable databases and information-handling tools, and I believe also does the immigration and enforcement component. At the same time, we do not have the kind of integrated centralized databases that are prevalent out in other broader traditional Intelligence Communities. We have to, obviously, do a much better job of building interoperable and interconnected databases. I will get to the privacy issue in a moment. And the problem is to rapidly and quickly share data among all elements, all components, and back to DHS headquarters where I oversee intelligence.

One of the things I am doing, I brought a senior CIA officer in to look at information management so we can understand how the

information flows much better. That is one thing I have done. Also we are going to work with the new CIO brought in by Mr. Chertoff, Secretary Chertoff, Scott Sharbo. I think we are going to get there, but we have a long way to go, and that is a relevant question. Six months from now I will have a much better idea on how to respond.

Ms. LOFGREN. Fair enough.

Thank you, Mr. Chairman.

Mr. SIMMONS. Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

Mr. Allen, we have to be efficient 100 percent of the time. The terrorists only have to be lucky once. If you look at France and England, Japan, other places, they haven't had that luxury that we have.

The key in the military is training, and you fight like you train. My concern is how do you take Border Patrol, Customs, Coast Guard, local law enforcement, tie them all together, now make them have a segment of intelligence within that organization, and then be able to transmit that intelligence to the targets that need to get it?

We had an example in San Diego that two law enforcement agents saw a train running on a track, all by itself, no engineers, nobody in it. They boarded that train and come to find out that was standard procedure, that the engineers went to eat their lunch until the next shift showed up, but they left the train running. The local newspapers chastised those law enforcement agents for boarding that train.

I think that is the kind of initiative, if you see something out of the ordinary, that you do go in and you are not afraid to make a mistake. So training, I think, is key in how to do that.

I also look at one of the problems that we have is with your infrastructure itself. The question that was asked, how are you going to do it? My answer is, you come to us, Mr. Allen. You need a scif, you need the infrastructure, to right now where you have three people for every chair and they have to rotate, that is not good. We need to provide you with the infrastructure for the people and also the technology that with this fire hose amount of technology and information that you get and the number of people that you have to put out the information to, it is our job to make sure that you have the right equipment that you need. So training, infrastructure is important

And then the last thing I would think is dissemination of the information. Just think about the information that comes in from our satellites, just millions and millions and millions of megabytes, and how do you sift that, and how you get it to the right people? Then you have inputs from all these other agencies, and how do you do that?

Have you ever been to Colorado, to the local base there that coordinates everything?

Mr. ALLEN. Yes, sir.

Mr. CUNNINGHAM. That—I would recommend that every intelligence officer visits that site, because, to me, those sections work in harmony, they work with all the services together, they work with law enforcement, and they not only can take the information, they have the authority to act and be proactive to execute an order

to eliminate a terrorist they see, overseas or in country. I would think that would serve in every city if we had a site like that. You know which one I am talking about, to take a look at.

One last thing is sometimes our own laws hurt us. You remember COSCO? Not right down here around the corner where you go to buy your fries and beans, but China Ocean Shipping Company. We knew they had shipped in AK-47s. We knew they were shipping in illegals. We knew that we couldn't talk about it, that they actually had spies operating within COSCO, and they were going to let them have Long Beach Naval Shipyard to control every single container that came into that area. We didn't mind them being a tenant, but we didn't want them to control it, and we could not talk about the spy that was under investigation.

So the opening statement, sometimes we can't tell the public exactly why we think that there is a danger or tell the media, but we can let the local law enforcement agents know that there is a problem, and a credible problem, or at least what the level of that credibility is, so that they can react.

Mr. ALLEN. Thank you very much, Congressman.

On the training, we are deficient in training our intelligence officers and deficient in training the officers within the various components, because many of them are, as you say, law enforcement backgrounds at the borders, at the airports. We obviously have to make them understand the information and data they are acting upon operationally also contained some very valuable information that needs to be brought back and put into threat stream data and disseminated. We are going to do that. I just met with the CBP this morning, and we talked precisely about this and the need for far more active training.

As far as facilities are concerned—and I intend to develop a training program and set some training standards across the DHS components, just as Ambassador Negroponte is setting training standards across the traditional U.S. Intelligence Community.

Second, on facilities, we obviously are short of facilities. My own office does not have this. I have submitted a plan to Deputy Secretary Jackson, and I will press that.

On the third issue, as to dissemination, you are absolutely right. One of the things I have asked to do for fiscal year 2007 is start looking and see what a communication center will cost for my office in order to disseminate intelligence promptly.

Thank you.

Mr. SIMMONS. Ms. Harman.

Ms. HARMAN. Thank you, Mr. Chairman.

Again, welcome, Mr. Allen.

I think every day about whether I am adding any value around here. Some days yes, lots of days no. It strikes me that your challenge is going to be to add value to a lot of people and efforts that are generating a huge number of dots, some of which are good dots and some of which are bad dots. How do you do that on a daily basis? It seems to me the most important thing you will have to do is to manage.

So my question is, how will you manage the information that is all over DHS, that is generated by TSA, by the different border functions? You just mentioned CBP. How will you manage the in-

formation that comes from local and regional and State law enforcement? How will you pull this together so that, for example, our threat warning system and our decisions about which targets to harden are as good as they can be?

Finally, how will you manage the relationships that you obviously already have, that is one of your big advantages, with the NCTC and with the Director of National Intelligence? How can you become, by tomorrow morning, the best possible manager of intelligence?

Mr. ALLEN. Thank you very much, I think. Your questions are spot on. That is where I think there has been lack of real focus, and that is how to bring together all these disparate components and the intelligence and the information and intelligence-related data they collect on a daily basis. And they collect a lot of it. A lot of it they act on just very tactically, but there is vast—I won't say there is vast, but there is a great amount of information that does not get fully disseminated or used as part of trends and patterns and threat streams.

As I said earlier, we are going to study all those information flows, because I have no blueprint to go from at this stage on how to integrate that and to bring it to an end, to fuse it, and to bring it into an analyzed form. It is a huge and big problem for all of us, and it has not been done. It must be done, because the Federal air marshals have information that is never collected, never disseminated. We know that. It is not just TSA or ICE. And we know at the State and local levels there is also additional data that needs to flow out and from the private sector.

I am going to put together a very strong management team. I have a Deputy Director here behind me, Mr. Foust, for mission integration, so he is going to have to carry a lot of that burden. I am going to bring in a principal deputy, who I hope will be "Mr. Outside," who will work with the State and local and private sector, an individual with that kind of background. I am going to bring in a senior intelligence officer from the CIA to increase the analytic quality that we have, to make sure that we provide far better analysis and sharper analysis than we have today. And, as I said earlier, working with the CIO of DHS and a new information management officer that is going to look at all this, we are going to put together our very best effort. But since we do not have a blueprint, our first is to build an architecture, an information architecture, that does not exist today across all of DHS. We must do that, and I intend to give it my level best effort.

Ms. HARMAN. Thank you.

Mr. SIMMONS. Mr. King of New York.

Mr. KING. Thank you, Chairman Simmons.

Mr. Allen, the Intelligence Reform Act we adopted last year provided the President would designate an individual as the program manager responsible for the information sharing across the Federal Government. What exactly will your role be with respect to the governmentwide information-sharing manager?

Mr. ALLEN. Thank you. Mr. John Russack is in charge of the Information Sharing Environment Program Office. Mr. Russack, a former Navy captain, was my deputy for 2 years, so I have a very personal relationship.

DHS plans to appoint as deputy to his program office an individual, a very senior individual, to take on that responsibility. In my view, and I attend personally the PCCs, the coordinating efforts that are undertaken under the leadership of the NSC on information sharing, what I see is required by the program office are not just a vision and not just plans, but specific deliverables and timelines.

I just attended a meeting at the White House where I made that point, and that is the direction in which we are heading, because we have to make this program office operate effectively and efficiently. It has had a slow beginning, and I think it is on the right course. So I intend to participate fully in that truly government-wide information-sharing effort.

Mr. KING. Mr. Allen, I think you agree with me on this. I think it is important for Homeland Security to establish more of a presence with local governments as far as exchanging information, working with local law enforcement. Are you in a position yet to tell what plans you have as far as extending DHS out into local communities and working with various law enforcement officials around the country?

Mr. ALLEN. That is one of my highest priorities, as you know, Mr. Chairman. New York City, we obviously have to develop a very close relationship. This is a city that has been attacked, thousands of people have died, and it has an extraordinary capability under Commissioner Kelly, and, of course, its intelligence unit is 400 people strong under Mr. David Cohen.

It is my intention to put an officer there full time in the future up in New York City. Mr. Cohen is sending a delegation down shortly to talk with me about strengthening our relationships. I intend to visit New York City and learn from New York City the way it handles the kind of information that is truly nontraditional intelligence and how it functions.

We are also looking at Los Angeles. We are working very closely with the Los Angeles Police Department. I do not have a full blueprint at this time, but I intend to develop one. Some of the major cities which we know have been mentioned as targets by foreign terrorist groups in particular, we have to develop a richer and closer relationship.

Mr. KING. Thank you. I yield back.

Mr. SIMMONS. Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman.

Congratulations, Mr. Allen, on your appointment. Knowing your work from my 5 years on the Intelligence Committee, it gives me a sense of comfort that you will be going into a situation in DHS that really needs to focus the ability to analyze and gather and collect the kind of information that is unique to only DHS. I mention that because, as you probably know, I spent 26-1/2 years with the Border Patrol before coming to Congress, and as a chief, I always was careful to tell my agents that they were collectors of information, collectors of intelligence, and we routinely shared that information with the Intelligence Community.

So my question for you is, how do you plan to institutionalize, standardize, ensure that all of the potential intelligence that is out there, that is unique to DHS, and I am talking about Border Patrol

agents in the many remote areas of our border, our Customs and Immigration inspectors at the ports of entry that come in contact with millions of people every day, that have the potential to see and report and gather what is commonly known as pocket litter, that that is somehow consolidated and brought together for the analysis that you spoke about. How do you plan to do that?

The other question I would have is in terms of budget, because all the plans in the world are not going to help you if you don't have the budget authority to be able to carry them out. Currently all the intelligence staffs other than the Office of Information Analysis and Coast Guard, receive direction, personnel and funding from their respective component organizations, TSA, Customs and Border Protection, ICE, all the different entities. So do you feel that you ought to have budget authority in these particular areas to make sure that your vision and your plans are fully and completely implemented and integrated in a coordinated way in DHS?

Mr. ALLEN. On the first question of trying to ensure that those come out the pointed end of the spear, that they understand they are collectors, and they understand that they must get that data together and get it back to other components, a lot is sent back today. There is a changing culture, I think, certainly in the CBP where you worked on the border.

But building a unified intelligence culture inside DHS is going to take time; it is going to take enormous energy on the part of all concerned, and a lot of goodwill. We have to improve our training, as Congressman Cunningham stated. We have got to make sure that they know, because their perceptions are very different. They have a few seconds to make a decision on whether to permit this person to cross the border or not. Is the person's credentials in good order? Does he have a legitimate passport? It is a very rapid decision. A million people, something like that, enter the United States every day. It is a vast effort. There are 317 ports of entry around the country. So we have to truly begin to work at that.

We have to give training to those people out in the various component elements, and we have to give them guidelines. I don't see any great guidelines that flow, particularly from my office, out to the various elements.

I am forming a Homeland Security Intelligence Council where the heads of the intelligence elements will sit. We meet this Friday at our first meeting, it is called the Homeland Security Intelligence Council. I told Congresswoman Harman about it the other day. This is going to be a decision-making body where the people coming and the heads of those intelligence elements have to speak to what they can and cannot do and if they have any resource shortfalls.

So from my perspective, we are going to strengthen those intelligence elements. If they don't have enough reports officers to report the data that is collected, I am going to tell them, you need more enforcement officers, and here is how many you need. When it gets to the budget issue, I am going to evaluate whether I need additional authorities.

At this stage I think I have the needed authority to make changes, to be a change agent at DHS over the next year, but I will come back to you if I need additional authority.

Mr. REYES. Thank you.

Mr. SIMMONS. The gentleman from Michigan Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

One of the reasons I really wanted to come today was to see Mr. Allen again, somebody who spent 47 years with the CIA and decided to retire, and here he comes back again. Thank you for committing yourself to public service. Apparently 47 years ago you were one of the original spy kids, is that right, very young when you started this operation? Thank you for doing this. I can't think of a better person to be there.

A couple things you said have concerned me. I just want to go over a little bit in your testimony here. You talked about the DHS intelligence offices yet to be fully recognized as a member of the Intelligence Community, and you want to become a true peer with all the rights, responsibilities, respect that that entails.

I certainly understand and appreciate the desire to do that. The one red flag that goes up for me is in order to do that, you have got to get bigger, and you got have to more people, and you are going to drain more resources. I am very concerned that everybody wants to be in the intelligence business today. Just about every agency out there wants an expansion and has requested Congress for an expansion of reports officers or different directions that they want to take in intelligence.

I am very concerned that we are creating something that was not supposed to be this big, DHS, and even making it bigger. I am hoping you can explain to me what value-added that you have added to the intelligence service and what the office was originally intended for, which was to collect and disburse information produced by its host agencies.

Mr. ALLEN. Thank you.

First, on the full member to take our place along with the traditional Intelligence Community, it doesn't mean you have to expand into a large organization necessarily. Treasury, Department of Energy, the Bureau of Intelligence and Research over at the Department of State are not large entities, but they have to be effective and efficient.

In this case, as far as our intelligence, the added value is that not only do we focus on both foreign and domestically acquired information, because there is a lot of information collected by the 10 components of DHS which have intelligence or intelligence-related activity. That information is not available, and when I met with Ambassador Negroponte the other day, this is one of the things that he spoke about, where he expected far more input. When I met with Admiral Scott Redd over at NCTC, this is exactly where he said DHS needs to help him and help the National Counterterrorism Center analyze information on a broad scale, because this is a war without borders, as we have spoken before. What may be planned in Waziristan, may occur in Detroit, Michigan. So that is where we are working, because they have to cross the borders. They have to come by land, sea or air in order to commit the kind of murder that they did on September 11, 2001.

So, from my perspective, not only do we have a lot of added value, and I don't know how much I have asked for, modest—you all agreed to some modest increases in staff and resources in fiscal year 2006. The President just signed the bill yesterday. We will

have some probably additional requests from Secretary Chertoff in the fiscal year 2007. We are looking at our needs at that stage.

What I want to do is be far more efficient. Actually, it is not the size of my office. When you look out at the components, there are hundreds and thousands. As Congressman Reyes says, there are thousands of people out there willing to collect and help provide information on people who wish to do us harm; 99.9 percent of the people coming into the country do not want that, but there is that percentage that does, and every day, every day, there are incidents, quite a number of them, where people are refused entry or they are detained as a result of the kind of work that goes on at our ports of entry, 317 of them.

So, I think we bring a lot of that in value, and it is recognized. It is recognized by every element of the U.S. Intelligence Community. I was at NSA yesterday with Lieutenant General Keith Alexander, and he spoke very strongly of the need for cooperating with DHS in a number of areas.

Mr. ROGERS. I certainly appreciate that.

If I may follow up, Mr. Chairman, we could be far more efficient. We have been talking about interoperability with IT since I have been in Congress 5 years ago. We don't have that. It doesn't exist. With all these machinations of new intelligence bureaus and expansions here and the DNI that wants 700 people, I would hope that we could come back to a committee pretty shortly and talk about how we have all of these agencies having the ability to talk to each other with an IT system. It can't be that difficult. I take that back, it is difficult. But we have spent a lot of money making it possible. I would hope, and I know you are the guy to do it, and I think you are a change agent, if somebody can get in there and get their arms around it, I think it is you. We are counting on you to do the right thing. I appreciate it.

Mr. SIMMONS. We thank the gentleman for his comments, and note for the record that he did serve in the FBI for a number of years. Thank you.

The gentleman from Maryland Mr. Ruppertsberger?

Mr. RUPPERSBERGER. Mr. Allen, I think you are the right person. You are a pro. We need to get somebody in a position who has experience, and you have that.

I think when you are looking at what we are doing with respect to protecting our homeland, you have to talk about short term and long term, the long term being the systems that we set up and the people that we have. But I would like to get into the short term, because al-Qa'ida or terrorists are not going to wait for us to be ready, and we have to really do what we have to do right away to deal with some issues, and I would like to get into some specifics right now.

An example would be the recent terrorist scare in New York highlights some serious information-sharing failures. Intelligence agencies failed to develop a common position on the reliability of the threat reports, and local officials got contradictory assessments from FBI and the Department of Homeland Security and other agencies.

We just had an incident yesterday in Baltimore. I am not sure where at this point—maybe you might be able to comment, if you

can, about what was the system that we used in order to first get the information and disseminate the information so that local officials can make decisions, they are first responders, so they can make decisions based on what they have received and the team-work approach.

So what must be done to improve the process for assessing reliability of intelligence reports and for sharing real-time information with local officials?

Secondly and I think this is an even more relevant question, what happens, using New York and Baltimore as an example, in terms of information sharing, when there is a conflict between the FBI and the Department of Homeland Security? What mechanism is in place to decide what information should be used to make that decision? There has to be one person, one boss, one individual, I think, that has to make that decision. It is not about turf, it is about protecting our homeland.

Mr. ALLEN. Thank you. Those are very good questions.

As far as New York and Baltimore, what I would like to do is come back in a classified hearing and give you details on what happened in each case, and certainly I am prepared to do this, and I know that probably other agencies that participated in this would be pleased to do as well.

I don't know of any significant disagreement between the FBI and Homeland Security in either of those cases and would be glad to explain how we did share, in a classified environment, information right from the beginning of the New York threat on the 27th, and as we began the issue with the subways back last week.

We worked very closely with the FBI, we worked very closely with the Homeland Security authorities in New York and also in Maryland yesterday. We worked with the Joint Terrorist Task Force that is run by the FBI. We also believe in each of those cases that what New York City decided to do and what the Maryland Transit Authority decided to do were prudent measures. We know that there is always some uncertainty in all intelligence activities, so I don't know of any great differences that I have with anyone on those. In fact, I believe the Governor of Maryland said it worked rather seamlessly yesterday.

Mr. RUPPERSBERGER. I would like to get to some specifics. I mean, that is past, and we need to evaluate what occurred so we can do it better the next time. But we don't know when another incident will be.

What I would like to know, though, is do we have a system in place; if, in fact, there is a conflict between Homeland Security and FBI, what is the mechanism to resolve that? Is there one person in charge? If we don't have that type of a system, we are not going to be as effective as we should. Are you aware of that system, if it exists today; and, if not, what do you plan to do about it?

Mr. ALLEN. I believe in most cases there will not be any substantial differences, and, of course, in this case we worked very closely with the National Counterterrorism Center, which is run by Admiral Redd.

Mr. ALLEN. As far as someone being overall in charge, I believe that working with—certainly with Secretary Chertoff and with the

Director of National Intelligence, we can certainly make sure that there is a very seamless way. One the things I have asked to do—

Mr. RUPPERSBERGER. Let me just—

Mr. ALLEN. Lessons learned, we are going to learn from this and come back with probably some proposal that we can discuss with you

Mr. RUPPERSBERGER. I have one other question maybe to get to what I am looking for. How do the current Department of Homeland Security missions differ from, say, the FBI as it relates to coordinating information and giving that information to the locals?

Mr. ALLEN. Well, the FBI obviously has a real responsibility if there is a threat as to coordinate and share that information with Federal and local officials and with the private sector if there is a direct threat to a particular sector. So there are different missions here. They have to be closely coordinated and aligned, and I think we can do a better job of doing that

Mr. RUPPERSBERGER. I would just try to—you are right on. We need to create a system that works. There needs, in my opinion, to be more focus on the type of information when there is conflict, because I can't see you; because as far as the incidents that have occurred in New York and Baltimore that will continue to occur, and we have to make sure that we are all on the same team. Good luck.

Mr. ALLEN. I agree with you, sir. Thank you very much.

Mr. SIMMONS. I thank the gentleman.

I remind the members that we have a second panel. We are hoping to get the second panel up before 4:30, maybe even before then. But I also would mention for the record again that if there are some detailed questions on either of the specific events, the New York event and the Maryland event, we are happy to hold closed briefings on that subject.

And now the Chair recognizes Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman. And, Mr. Allen, we want to thank you for being here. I will try to make my comments and questions as brief as possible.

First, I just want to comment briefly on information sharing and just to give you some feedback from my other committee work or direct contacts with law enforcement. I want to make you aware, and I know you probably already are, law enforcement with respect to information sharing is not impressed at all right now with either the degree of contact they have had with Homeland Security or their information that they are getting from Homeland Security. I understand that the HSIN network is kind of a work in progress, but it is not nearly as robust as it needs to be.

With respect to my question, I know my colleague Mr. Rogers already addressed this as well, but I raise it again. The—right now I know that Homeland Security obviously wants a seat at the table in the Intelligence Community, but the feeling basically of the Intelligence Community is that Homeland Security really doesn't have anything to bring to the table, and— although it could at some point if it is developed. Right now they have nothing to bring to the table. So the question is, what will Homeland Security bring to the table with respect to the Intelligence Community?

The other thing is right now, obviously Homeland Security has a tremendous workforce, 180,000 employees under Homeland Security. Everything from people in Customs, Border Patrol area, and they have the capability to be great gatherers of intelligence and could bring a great deal to the table with respect to developing raw intelligence. So my question is, what does Homeland Security, from the intelligence perspective—hat do you see them bringing to the table, and are you ready to utilize all the talents and the workforce within Homeland Security to actually generate the raw intelligence?

Mr. ALLEN. Well, I think we already have earned our place at the table with the traditional Intelligence Community, and speaking with Ambassador Negroponte, speaking with the heads of other agencies, and speaking with the head of the National Counterterrorism Center, our lanes in the road, I think, are getting very well defined. They may have not been defined as clearly in the past as they should have.

One of the things we do bring to the table is, of course, first and foremost a tactical intelligence. As I said earlier, as Congressman Reyes knows, every day we find people trying to penetrate this country in a variety of ways, and it is due to the components of DHS that they are turned away. And they act upon information, upon databases that are built by the Intelligence Community. So it is very active tactically.

In the infrastructure area, one of our great issues, and we work very closely with the Assistant Secretary For Infrastructure and Protection. His people look at all the sectors and look at potential vulnerabilities of those sectors and how to keep the country safe.

So I believe that we can contribute significantly already and will contribute more in the future

Mr. LANGEVIN. I have just a couple of minutes. Let me ask you this: What obligations should or will the Chief Intelligence Officer have to the Director of National Intelligence, and what controls should or will the DNI have over you, if you haven't addressed that already?

Mr. ALLEN. I did not address that specifically.

Obviously the DNI—and one of the things that I found that has not been done is that we—in the past there was not a document that spelled out the intelligence efforts of DHS in regard to the Director of Central Intelligence. So I have asked the Intelligence Community Directorate be set up to design my relationship with them.

Our relationship, I think, will just continue to grow stronger in the days ahead as we work very jointly together. We bring a lot to the DNI. DNI wants us as part of his community. He—we submit our budget through the DNI. Our budget is submitted. It is a classified budget through the National Intelligence Program. He has to—we respond to DNI budget guidance as well as to the guidance that may come from Secretary Chertoff. We work for Secretary Chertoff, but we also have a dual reporting chain. I think both of us understand that relationship quite well.

Mr. LANGEVIN. I hope you will work with this committee and rely on us as a resource.

Mr. ALLEN. I have been 3 weeks on the job so far, so I am learning

Mr. SIMMONS. The Chair recognizes the gentleman from Massachusetts Mr. Markey.

Mr. MARKEY. Thank you, Mr. Chairman.

Mr. Allen, good luck. We have met all of your predecessors here, and each of them has unfortunately run afoul of the difficulty that exists in your position. You have three jobs. One is to coordinate the 10 intelligence agencies within the Department of Homeland Security. Then you have to coordinate with the CIA, the FBI and other agencies. And you have to coordinate with the State and local governments. The State and local governments are now saying as of 2 weeks ago they don't want to coordinate anymore with you. They are not happy. They are not satisfied. This is 2-1/2 years into the creation of the Department.

One of your predecessors Mr. Hughes told us that the relationship between the CIA and the FBI was going to be dependent upon his good personal working relationships with them, which from our perspective is completely unsatisfactory. It must be structural, and it must be guaranteed that that information flow, whether they want it to flow or not.

And going back to the first point as to how effective your agency can be with any of these other entities goes to your coordination within your own agency of the other 10 departments. Now, you have told us here today that there is no database which links all 10 intelligence units within your Department. Lacking that technology linkage, how is the information, Mr. Allen, collected by analysts and officers of these agencies shared by your office? Do you have daily meetings of all 10 intelligence chiefs of the 10 departments to substitute for the fact that there is no common database?

Mr. ALLEN. Well, let me get back to the broader issue of—I do not pretend to—I have great personal relationships with both the FBI and with CIA, but I will not, I will not say that I will make all problems go away. I think we have to develop our lanes in the road, and that is the reason I am developing this Intelligence Community directive to spell out the lanes in the road for DHS with Ambassador Negroponte and the Intelligence Community writ large. If we don't do that, if we don't put it in writing and get a clear understanding, we are not going to succeed. And I can have a personal relationship with Gary Ball at the FBI or with Scott Redd over at the NCTC, and I don't think that is very—I think it may be useful now and then, but it is not an efficient way of operating.

Mr. MARKEY. Okay. I have two questions for you then, Mr. Allen. The first question is do you have a common conference call, each day, with all 10 intelligence chiefs within your Department so that, absent that common database, you do have a common conversation so that you are able to make your own assessment each day of whether or not, in fact, there has been an adequate gathering and assessment of threats against our country?

Mr. ALLEN. We bring together every day all critical elements including my office with the rest of the Intelligence Community. The data that flows—

Mr. MARKEY. Are on you that call each day?

Mr. ALLEN. Not every day, but my senior officials are.

Mr. MARKEY. Who do you require from the 10 intelligence branches within DHS to be on the call? Who do you require for that; in the absence of a common database, who do you require to be on that call each day? By the way, is there a call?

Mr. ALLEN. We have them every day and several times a day with the Intelligence Community as well with elements of Homeland Security. As I said earlier, I have just formed a Homeland Security Intelligence Council where we are going to meet on a regular basis.

Mr. MARKEY. Are you going to meet each day?

Mr. ALLEN. I don't know if we will meet every day. When I ran the National Intelligence Collection Board, we didn't meet every day. We met 4 or 5 days a week.

Mr. MARKEY. The President gets briefed every day on intelligence. Are you going to get briefed each day from the 10 intelligence chiefs so that we have that common conversation?

Mr. ALLEN. I get briefed at 0630 hours every morning, and it brings in all the data. We have the Homeland Security Operations Center. We have officers there that develop the morning briefings for me and Secretary Chertoff.

Mr. MARKEY. Will you be on the call, Mr. Allen, with the other 10 intelligence agencies?

Mr. ALLEN. As required, but not every hour, not every day.

Mr. MARKEY. Are you on a conference call each day with your counterpart at the CIA and FBI? Do you have that conference call each day with them?

Mr. ALLEN. I am usually in contact every day, not necessarily always a conference call. If we have a threat, we have a conference call immediately with not only the White House, NCTC, FBI and other elements as required, including the Coast Guard.

Mr. MARKEY. See, from my perspective, Mr. Allen, in the absence of a common database, which you don't have, you are the database, and if you are not on the conference call with the 10 intelligence chiefs within your own Department, or with your counterpart at the CIA or the FBI, then we are years, I mean literally years, from having an intelligence-gathering and assessment capacity at your agency. You are the person who must enforce on a daily basis this level of connection within your agency and with the other intelligence-gathering agencies. And if it doesn't happen—and you have a fabulous record, Mr. Allen, but we have already gone through this. Even though the title has changed, your predecessors have each, unfortunately, come afoul of the incredible bureaucratic resistance to the kind of change which you have to be the catalyst to effect.

Mr. ALLEN. We obviously are going to—

Mr. SIMMONS. Time having expired, and we think this line of questioning is very interesting and very important, but we are trying to accommodate Mr. Ben-Veniste as well.

The Chair recognizes Ms. Jackson-Lee.

Ms. JACKSON-LEE. I thank the Chairman and Ranking Member and the combined Chairman and Ranking Member of the Intelligence Committee. I think these are helpful episodes, and I think that we should continue them.

First of all, Mr. Allen, it is worthy to thank you for your years of service and to echo maybe what you already know, that I think your challenge is extremely difficult. We hold these hearings and these questions on the backdrop of probably one of our more severe intelligence gaps or failures, and that, of course, is 9/11. We have attempted to improve, and I certainly will not dismiss the efforts. I am concerned as to whether or not we have gotten the results.

So let me ask you hopefully three questions that you may have answered, but please accept my apology. One, I would like to hear again how you coordinate between the Ambassador position and, of course, the Director of the CIA, Director Goss, and the FBI. I just still find that to be a complex relationship.

Then I would be interested in how you plan to harness the flow of information specifically to the far reaches of the Department, Border Patrol for example, the Transportation Security Administration, ICE. How are these disparate groups spread out in many far places going to be coordinated?

And then lastly I think we have had an excellent laboratory over the last month that frightened me, frankly. We had the mayor of New York make large statements about trouble on the transit system, rightly so, for a local official. He has a very able police chief. And then to be disparaged, that is my term, not yours, or at least to be, if you will, not backed up by our own Homeland Security, I assume, intelligence, combined group of individuals. Forget about what the local official look like and the politics there. We looked like we were in disarray. Secondary we had another opportunity with the recent tunnel in Baltimore, and again, there was a local statement. It seemed that we, at that point, either for politics reason—political reasons said, you know, you were right to go ahead and do you what you did.

Help me understand how we can lessen those kinds of calamities, because the American people will lose faith in our abilities if we can't find the synergism of intelligence or relationships when we are actually trying to disseminate information to protect.

So I have given you three questions, and I hope you can answer them in that order.

Mr. ALLEN. Thank you. Let's first talk about Ambassador Negroonte, Director Goss and, at the FBI, Mueller. Obviously they collect information on a daily basis. We also obtain threat information through our own intelligence components. Any time there is a threat that comes out, we coordinate that very carefully among those agencies. I have a direct—and I don't want to say that a personal relationship solves everything, but my office, and we are very much in contact with the Bureau, with the NCTC as well as with CIA and Ambassador Negroonte, we keep informed on all critical issues.

Ms. JACKSON-LEE. So are you talking to them every single day.

Mr. ALLEN. We don't talk every day, but I said when there is a threat. We certainly make—Ambassador Negroonte and I discussed the New York threat together. We certainly have discussed it repeatedly with the CIA as well as with the FBI. So there is a very close coordination that occurs throughout the traditional and nontraditional Intelligence Communities. It does work, and it works, I think, very well.

How to harness, that question has been asked repeatedly, the 10 components that have intelligence or intelligence-related activities. They put out a lot of data, and they disseminate a lot of data. It is not that we have it all interoperable and interconnected. We are going to work to do that. But as far as harnessing that information, that information flows every day, 7 by 24, into the Homeland Security operation centers where we have officers. We work overnight, and every morning I am briefed, as well as the Secretary and the Deputy Secretary on important developments that occur. And there are developments every day.

Ms. JACKSON-LEE. A regional director of the Transportation Security Administration in Los Angeles has access to important intelligence.

Mr. ALLEN. We can reach out to any element including those along the border as required through the Homeland Security operation center, and the data can flow to my officers for fusing and threat analysis. Absolutely. And we do it on a daily and regular basis. If someone—if we think someone is on an airplane coming into the country, we have ways, of course, making sure that that information is available.

And then thirdly, in Baltimore and New York, we will have a closed hearing, and you will hear that we worked very closely with both the city of New York as well as the officials in Maryland.

Ms. JACKSON-LEE. Mr. Chairman, thank you.

Just my last sentence to you, Mr. Chairman, is we have a great panel, and we have to respect their time. My only question to you, or at least my concern, if we can have that opportunity again. But the point is I don't think we will at least feel comfortable that there is that synergism, that interoperability, using a term that we use in this committee, that there is good reach between these three different disparate responsibilities. And I hope that we will we will pursue that further. Thank you.

Mr. SIMMONS. We will.

On the specific issues of Maryland and New York, there will be a closed briefing where we can get into more detail. But earlier in this hearing, with this panel, the issue of information sharing and the culture of intelligence was discussed in some detail. It is a huge problem not just for individuals on this committee and for the Chief Intelligence Officer of Homeland Security, it is a problem for the whole country, and it is a problem we have to overcome.

And I want to thank Mr. Allen for coming today. We thank him for his very distinguished service to the country. And I would suggest in the next year and a half to 2 years, he has a great opportunity to make a great contribution to the security of this Nation, and we wish to work as partners with him in that enterprise. We thank you very much.

Mr. ALLEN. Thank you. Mr. Chairman, I look forward to coming back and giving you reports on the progress we are making.

Mr. SIMMONS. Thank you.

The second panel of the day will involve testimony from Mr. Richard Ben-Veniste, a former 9/11 Commissioner and member of the 9/11 Public Discourse Project. Mr. Ben-Veniste is a partner in the Washington law firm of Mayer, Brown, Rowe & Maw and served as the sixth assistant U.S. attorney, chief of the Watergate

Task Force of the Watergate Special Prosecutor's Office, and special outside counsel for the Senate Committee on Governmental Operations from 1976 to 1977. From May of 1995 to June of 1996, he was chief Minority counsel of the Senate Whitewater committee.

I want to thank you very much, Mr. Ben-Veniste, for your patience in being here today. We are mindful that you have other obligations that may take you away, and so we thank you for your distinguished service to our country, and we look forward to your testimony.

**STATEMENT OF RICHARD BEN-VENISTE, MEMBER, 9/11  
PUBLIC DISCOURSE PROJECT**

Mr. BEN-VENISTE. Thank you, Mr. Chairman.

Chairmen Simmons and Cunningham and Ranking Member Lofgren and distinguished members of the Homeland Security and Intelligence Committees, it is an honor to appear before you today. I welcome the opportunity to testify today regarding Secretary Chertoff's decision to make information analysis a priority within the Department of Homeland Security, and to create a Chief Intelligence Officer to provide intelligence information in support of the Department, and to ensure it is shared with State and local partners.

The 9/11 Commission did not make specific recommendations on the structure of the Department of Homeland Security. The Commission did make strong recommendations with respect to information sharing across the government. The Commission did make a strong recommendation with respect to unity of effort in the Intelligence Community. My comments about DHS today will be informed by these principles.

Upon taking over at DHS earlier this year, Secretary Chertoff initiated a comprehensive evaluation of the Department's organization, operations and policies that he has called his Second Stage Review. As a result of his review, the Secretary proposed a number of structural changes to the Department. One of those changes is to designate the Assistant Secretary for IA as the Department's Chief Intelligence Officer and to elevate IA so that it reports directly to the Secretary. The Secretary provided no more detail, however, as to how IA would be strengthened, how it would be able to ensure a common operational picture within the Department any more than it can today, or how it would serve as the primary connection between DHS and the Intelligence Community as a primary source for State, local and private sector partners without a clear mandate as the Department's lead intelligence entity.

We offer the following suggestions. First, the Chief Intelligence officer should be confirmed by the Senate. Under the Secretary's proposed reorganization, there is no official below the level of Secretary with departmentwide intelligence responsibilities who would be confirmed by and accountable to Congress. For various reasons, not the least of which is accountability, the lead intelligence official of DHS should be a Senate-confirmed position.

Second, the Chief Intelligence Officer needs a clearly defined role and priorities. The Secretary should prioritize IA's responsibilities and clearly articulate the role of IA as the Department's lead intelligence entity. For instance, the Secretary should make it plain

that the Chief Intelligence Officer is his principal intelligence advisor, that IA is responsible for providing a common operational picture across all of the Department's intelligence components, and that IA is to be the Department's primary point of contact with the newly established Director of National Intelligence and NCTC.

Third, the Secretary must demonstrate support for the Chief Intelligence Officer. Simply making the Chief Intelligence Officer directly report to the Secretary will be nothing more than a cosmetic change if the Secretary does not support this new official. That support means sufficient staff and resources, but also the less tangible forms of bureaucratic support that so often determine who can get things done in Washington. One way of communicating this support would be to make clear the IA's role and authority in budget and personnel matters. In other words, when the Chief Intelligence Officer meets with the FBI or CIA Director, it must be implicit that he has the backing of the Secretary in order for him to be taken seriously.

Fourth, the Chief Intelligence Officer should have additional authorities vis-a-vis the Department's intelligence components. In order to coordinate and ensure unity of effort among the numerous intelligence elements of the Department, the Chief Intelligence Officer will need some combination of budget, personnel and tasking authorities over their activities. Whether the best model is the DNI or the Under Secretary for Intelligence at DOD, the Chief Intelligence Officer cannot be expected to be any more successful in coordinating the Department's various intelligence elements simply because of a new title. It is the Chief Intelligence Officer's role to make sure that information from all intelligence offices in the Department of Homeland Security is not only analyzed, but also disseminated to those who need it.

We have the highest regard for the newly appointed Chief Information Officer, Charlie Allen. He has extraordinary experience in the Intelligence Community, but he faces a formidable challenge. Recent reporting suggests that communication and collaboration between the Department and the State Homeland Security officials nationwide is not what it should be. It is not up to us to say who is right and wrong. Suffice it to say there is a problem, and the Chief Information Officer has the responsibility to address it. DHS cannot expect State and local officials to want to team up with headquarters if it does not provide reliable and consistent leadership.

The recent controversy over the credibility of the threat to New York city's subway system is a case in point. On October 6, the New York Police Department reacted to information from the FBI which suggested that the system was at risk of being attacked in the next few days. DHS, however, took a different position and evaluated the information as less than credible. Because I have no way of evaluating whether DHS and FBI simultaneously provided their basis for challenging the informant's credibility along with the specifics of the alleged plot, it is difficult, if not impossible, to determine whether there was a breakdown in information sharing, or whether there was simply a difference of opinion regarding the credibility of the underlying information. This is critical. If there is

not sufficient information sharing, simply providing information about a potential threat could cause more problems than it solves.

A priority for the Chief Intelligence Officer must be to strengthen the relationship between DHS and its customers. State and local police need to know that the information they provide to DHS will be properly integrated and not ignored. They need to know that DHS will provide the necessary information to them in turn.

It is essential that the Chief Information Officer at DHS work closely with the program manager for information sharing. In our final report we recommended that the President lead a governmentwide effort to create a trusted information network. We are pleased that the information reform law, intelligence law, rather, created a new position to coordinate this effort. Six months ago the President appointed John Russack as the first program manager. We understand that Mr. Allen is forging a working relationship with Mr. Russack to help him overcome the cultural and bureaucratic obstacles to information sharing. This is encouraging news.

In closing, Mr. Chairman, Secretary Chertoff's recognition of the primacy of information intelligence analysis and sharing is critical to a successful homeland security strategy. On a personal note, I have high regard for Secretary Chertoff's capacity and energy, and I have met with him privately on occasions at some length, and I am certain that he gets it. His appointment of Mr. Charlie Allen to the key position of Chief Intelligence Officer is a positive sign. Our Nation has a strong interest in Mr. Allen's success. We urge Secretary Chertoff to provide Mr. Allen the authorities that he needs to get the job done.

I have a longer statement which I wish to submit for the record with the Chairman's permission

Mr. SIMMONS. Without objection, so ordered.

[The statement of Mr. Ben-Veniste follows:]

#### PREPARED STATEMENT OF RICHARD BEN-VENISTE

Chairman Simmons and Cunningham, Ranking Members Lofgren and Boswell, distinguished members of the Homeland Security and Intelligence Committees: it is an honor to appear before you today.

I welcome the opportunity to testify today regarding Secretary Chertoff's decision to make information analysis a priority with the Department of Homeland Security, and to create a Chief Intelligence Officer to provide intelligence information in support of the Department and to ensure it is shared with state and local partners.

The 9/11 Commission did not make specific recommendations on the structure of the Department of Homeland Security.

The Commission did make strong recommendations with respect to information sharing across the government.

The Commission did make strong recommendations with respect to unity of effort in the intelligence community.

My comments about DHS today will be informed by these principles.

The Homeland Security Act of 2002 established a Directorate for Information Analysis and Infrastructure Protection (IAIP) run by an Under Secretary, and within that directorate an Office of Information Analysis (IA) headed by an Assistant Secretary. IA was supposed to have been the primary intelligence shop within DHS, and it had a broad statutory mandate. However, nearly all now agree that IA has not fulfilled that mandate.

#### Findings of the 9-11 Commission

In its Final Report, the 9/11 Commission concluded:

The Homeland Security Act of 2002 gave the under secretary for information analysis and infrastructure protection broad responsibilities. In practice, this di-

rectorate has the job to map “terrorist threats to the homeland against our assessed vulnerabilities in order to drive our efforts to protect against terrorist threats.” These capabilities are still embryonic. The directorate has not yet developed the capacity to perform one of its assigned jobs, which is to assimilate and analyze information from Homeland Security’s own component agencies, such as the Coast Guard, Secret Service, Transportation Security Administration, Immigration and Customs Enforcement, and Customs and Border Protection. The secretary of homeland security must ensure that these components work with the Information Analysis and Infrastructure Protection Directorate so that this office can perform its mission. (Chapter 13, p. 427)

There are several reasons why IA has not been a success. First, IA’s mission has been clouded from the start. Soon after DHS was created, the Administration set up the Terrorist Threat Integration Center (TTIC) outside DHS to analyze the terrorist threat—to “connect the dots”—thus raising questions about what IA’s primary role was supposed to be. (TTIC was folded into the National Counterterrorism Center [NCTC] pursuant to the Intelligence Reform and Terrorism Prevention Act, based on the recommendation of the 9/11 Commission.)

Second, IA has not had the status, resources, or support necessary to be a real player in the intelligence community.

Third, IA has been unable to ensure unity of effort among the Department’s own various intelligence units (in terms of information sharing, common protocols, tasking and collection strategy, resource decisions, etc).

The bottom line is that IA has had broad statutory responsibilities, fewer authorities, minimal support, and little respect.

Upon taking over at DHS earlier this year, Secretary Chertoff initiated a comprehensive evaluation of the Department’s organization, operations, and policies that he has called his “Second Stage Review”. As a result of his review, the Secretary proposed a number of structural changes to the Department. One of those changes is to designate the Assistant Secretary for IA as the Department’s Chief Intelligence Officer and to elevate IA so that it reports directly to the Secretary (rather than through an Under Secretary). When he announced his proposed changes in public remarks on July 13, 2005, the Secretary stated:

Today I am announcing that the Assistant Secretary for Information Analysis will be designated as the Chief Intelligence Officer. The Chief Intelligence Officer will head a strengthened Information Analysis division that will report directly to me. This office will ensure that intelligence is coordinated, fused, and analyzed within the Department so that we have a common operational picture. It will also provide a primary connection between DHS and others within the intelligence community—and a primary source of information for our state, local, and private sector partners.

#### Unity of Effort in Information Sharing and Analysis

The Secretary provided no more detail, however, as to how IA would be “strengthened,” how it would be able to “ensure” a common operational picture within the Department any more than it can today, or how it would serve as the “primary connection” between DHS and the intelligence community or as a “primary source” for state, local, and private sector partners without a clear mandate as the Department’s lead intelligence entity. Nor, does it appear, has the Secretary provided Congress with any additional detail.

- *The Chief Intelligence Officer should be confirmed by the Senate.*

Under the Secretary’s proposed reorganization, there is no official below the level of the Secretary with Department-wide intelligence responsibilities who would be confirmed by, and accountable to, Congress. Although the Assistant Secretary for IA was never a confirmed position, the Under Secretary for IAIP required Senate confirmation. The Chief Intelligence Officer, however, will now report directly to the Secretary (and the Under Secretary for IAIP will become the Under Secretary for Preparedness, without any intelligence responsibilities). For various reasons, not least of which is accountability, the lead intelligence official for DHS should be a Senate confirmed position.

- *The Chief Intelligence Officer needs a clearly defined role and priorities.*

As discussed earlier, while IA was given a broad statutory mandate, it was never assigned a clear role once TTIC was created. The Secretary should prioritize IA’s responsibilities and clearly articulate, whether in a department directive or another vehicle, the role of IA as the Department’s lead intelligence entity. For instance, the Secretary should make plain that the Chief Intelligence Officer is his principal intelligence advisor, that IA is responsible for providing a common operational picture across all of the Department’s intelligence components, and that IA is to be the De-

partment's primary point of contact with the newly established Director of National Intelligence (DNI) and NCTC.

- *The Secretary must demonstrate support for the Chief Intelligence Officer.*

Simply making the Chief Intelligence Officer directly report to the Secretary will be nothing more than mere cosmetic change if the Secretary does not support this new official. That support means sufficient staff and resources, but also the less tangible forms of bureaucratic support that so often determine who can get things done in Washington. One way of communicating this support would be to make clear the IA's role and authority in budget and personnel matters. In other words, when the Chief Intelligence Officer meets with the FBI or CIA Director, it must be implicit that he has the backing of the Secretary in order for him to be taken seriously.

- *The Chief Intelligence Officer should have additional authorities via-a-vis the Department's intelligence components.*

In announcing his proposed reorganization, the Secretary noted that IA would be strengthened and that the Chief Intelligence Officer must ensure that intelligence from across the Department is coordinated and fused into a common operational picture. DHS currently has more than 10 different intelligence elements (within various Department components, such as the Secret Service, Customs and Border Protection, the Coast Guard, Transportation Security Agency, etc.). In order to coordinate and ensure unity of effort among these various elements, the Chief Intelligence Officer will need some combination of budget (development and/or execution), personnel, and tasking authority over their activities. Whether the best model is the DNI or the Under Secretary for Intelligence at DoD, the Chief Intelligence Officer cannot be expected to be any more successful coordinating the Department's various intelligence elements simply because of a new title.

#### Unity of Effort in Information Sharing

It is the Chief Intelligence Officer's role to make sure that information from all intelligence offices in the Department of Homeland Security is not only analyzed, but disseminated to those who need it. We have the highest regard for the newly-appointed Chief Information Officer, Mr. Charles Allen. He has extraordinary experience in the intelligence community. But he faces a formidable challenge.

Recent reporting suggests that communication and collaboration between the Department and state homeland security officials nationwide is not what it should be. It is not up to us to say who is right and who is wrong: suffice it to say there is a problem, and the Chief Information Officer has the responsibility to address it.

Historically, federal law enforcement agencies have been largely unwilling to share information with their state and local counterparts. Distrust continues to exist between federal and local partners. State and local officials, for their part, traditionally have kept information to themselves rather than input data into systems. Federal authorities need to build confidence with state and local officials by developing systems on which they are trained, a broad concept of operations they understand, and a standard reporting procedure that they know how to use.

DHS cannot expect state and local officials to want to team up with headquarters if it does not provide reliable and consistent leadership. The recent controversy over the credibility of a threat to New York City's subway system is a case in point. On October 6, the New York Police Department reacted to information from the FBI which suggested the system was at risk of being attacked in the next few days. DHS, however, took a different position, and evaluated the information as less than credible.

Because I have no way of knowing whether DHS and FBI simultaneously provided their basis for challenging their informant's credibility along with the specifics of the alleged plot, it is difficult to determine whether there was a breakdown in information sharing or whether there was simply a difference of opinion regarding the credibility of the underlying information.

A priority for the Chief Intelligence Officer must be to strengthen the relationship between DHS and its customers. State and local police need to know that the information they provide to DHS will be properly integrated and not ignored. They need to know that DHS will provide the necessary information to them in turn.

It is essential that the Chief Intelligence Officer at DHS work closely with the Program Manager for Information Sharing. In our final report, we recommended that the president lead the government-wide effort to create a trusted information network. We were pleased that the intelligence reform law created a new position to coordinate this effort. Six months ago, the President appointed John Russack as the first Program Manager. We understand that Mr. Allen is forging a strong work-

ing relationship with Mr. Russack, to help him overcome the cultural and bureaucratic obstacles to information sharing. This is encouraging news.

#### Closing Comments

Mr. Chairman, Secretary Chertoff's recognition of the primacy of information intelligence analysis and sharing is critical to a successful homeland security strategy. His appointment of Mr. Charles Allen to the key position of Chief Intelligence Officer is a positive sign. Our nation has a strong interest in Mr. Allen's success. We urge Secretary Chertoff to provide Mr. Allen the authorities he needs to get the job done.

Mr. SIMMONS. If I could now go into the question phase, I would say, first of all, I agree with your principal points. I have no objection to the principal points, and it may well be that it is appropriate for this committee, this committee working with the House Intelligence Committee, to move forward and incorporate some of these proposals in a legislative form, to make some of these recommendations more permanent. And that is one of the issues that we have been concerned about, that we try to establish a system that goes beyond personal relationships. I reminded my colleague that a few years ago, John Foster Dulles had a very good personal relationship with Allen Dulles, but that is not the way our government operates. We try to operate under the law and within a system.

You, a number of years ago, served in an important capacity in the Watergate investigation, and the Watergate investigation led to the Church committee and the Pike committee investigations of the Intelligence Community. And that led to a perception here in America that there was a culture of secrecy that invaded our government, and that somehow the American people had to get their arms around that secrecy system.

I remember in the early 1980s as staff director of the Senate Intelligence Committee dealing with Gerry Berman and Warren Halpern from the ACLU Project on Government Secrecy and trying to frame our policies in such a fashion that the American people were reassured that their government was not too powerful and doing things in secret. At the time, when it was proposed that we have a counterintelligence or a counterespionage database, an integrated database, that was rejected as giving the government too much power. And yet just a few minutes ago, the distinguished gentleman from Massachusetts was discussing in some detail his concern that DHS does not have a common database, and other members of this committee have expressed concern that at a larger level the government's database data sharing, information sharing is not adequate because it is not integrated. So it is almost as if we have come full circle from a point where integrated national-level databases were anathema to our Nation to the point where now people are saying we absolutely need it.

How do you see our balancing these two goods? One good is national security. We know now that people can kill us with weapons of mass destruction, and they can do it within the continental United States. On the other hand, we know that too much power in government can abuse our liberties. How do you see the balance today?

Mr. BEN-VENISTE. Well, you have been a leader on the question of declassification and too much overclassification, and I applaud

that. It is an interest of mine, and I have spoken out on the subject. Indeed, I am recently informed that from 2001 through 2004, there has been a fourfold increase—80 percent, I am sorry—an 80 percent increase in classification in just those 4 years, at tremendous cost to maintaining the classified files, but perhaps even greater cost to openness in our society.

So it is true, there is too much classification. On the other hand, there are privacy interests and civil liberties interests that have to be factored into the equation, and applaud Secretary Chertoff for speaking to those issues.

The proof of the pudding, however, will be in how this balance is effectuated. We cannot sacrifice our civil liberties and our way of life in the face of this kind of a terrorist threat. Now, we have to be smarter. We have to be more focused. When we talk about a database and collection of materials, yes, we need to collect materials. We have to be smart about it.

The problem that the Church committee found was that elements of the Intelligence Community, for example, the Department of Defense, had undercover operatives collecting intelligence within the United States against such well-respected organizations as the Civil Liberties Union, as the various other entities, and indeed they infiltrated the Republican convention in collecting information on the floor of the convention. So obviously, you have to have some kind of guarantee that the information that is collected is not information that impinges on our first amendment rights to assemble and to speak out.

And so as we go forward, and as the 9/11 Commission has recognized in several places in our report, great attention has got to be paid to the central fabric of our society, what we are about is an open and inclusive and diverse society, and not to allow either legitimate fears or the politics of fear to interfere with our basic and fundamental liberties.

Mr. SIMMONS. I thank you for that.

If you have time, I have a second question, but I now yield to the Ranking Member.

Ms. LOFGREN. Thank you, Mr. Ben-Veniste, for spending your afternoon with us. And I know that you have to leave, so I will be very quick.

First, I met with Mr. Allen yesterday for our getting to know you because I think all of us on the committee recognize that he is a qualified person, very well experienced. We are very hopeful that he will be able to clean up the Department, but the issue I raised with him privately, and really that you have raised here today, is whether he has sufficient tools in the structure to actually accomplish what he has the capability of accomplishing.

So my question to you, just bluntly, is, number one, do you believe he has sufficient budget and personnel authority to really accomplish what we have asked him to do?

I also wonder—and the privacy issues are very much a concern of mine in the civil liberties issues, and I believe they are also a concern of Mr. Allen's. I don't know if you've had an opportunity to take a look at the Markle Foundation recommendations to us. If you have, do you think implementing and adopting the Markle

Foundation recommendations would accomplish what we want to accomplish by way of protection of civil liberties?

Mr. BEN-VENISTE. Well, let me start first with budget authority. To my knowledge, there is no formal budget authority provided. I don't know that I would go so far as to say that this should be legislated, and that there has to be a decision by the Secretary to formally provide such authorities to Mr. Allen. On the other hand, I think it is important to get a sense from the Congress of your concern over that issue, and that Mr. Chertoff ought to make clear that this is a process in which Mr. Allen has more than a simple seat at the table, but this will be a collaborative process that he will be involved in these budgetary decisions, because as we all know in Washington, whoever writes the check gets the most attention.

So that is my feeling about that. Others on the Commission, I must say, feel more strongly about providing specific authorities to Mr. Allen.

With respect to the civil liberties, we note that the position is unfilled at DHS at this moment. We are extremely concerned that the Civil Liberties Board, which was a recommendation by the 9/11 Commission, and which was enacted into the reform—Intelligence Reform Act, has not yet met. It was a year late in being appointed. The names for the Chair and cochair were recently sent to the Senate for confirmation. I must say there has been virtually no progress made in that regard. At this point the DNI has not identified or appointed his civil liberties person, point person within the DNI, so there is much to be done and good reason for concern that civil liberties is getting the type of attention that is necessary.

Ms. LOFGREN. Just a final question. I believe that we do need to have some commonality of databases, and I think that the civil liberties and privacy protections can be built into the technology. I mean, the fact that you want to have privacy doesn't mean you don't want to have information. But I am wondering if you or anyone on the Commission has had an opportunity to take a look at the state of our technology at the Department.

Mr. BEN-VENISTE. Well, I would like to be able to think on that and then get a response to you, Ms. Lofgren.

Ms. LOFGREN. Thank you very much.

And I yield back, Mr. Chairman

Mr. SIMMONS. The Chair now recognizes the Chairman of the Subcommittee on Terrorism, Human Intelligence, Analysis and Counterintelligence, who has cochaired this hearing this afternoon, Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, Mr. Simmons. Some of us have been fighting for an instant check for about the last 8 years just to register a handgun, a system that goes in, and, where it may fall through the cracks at a local level, that if we had a system, we could use it not only for registration of any weapon, but we could use it for the means that I think that you are talking about, too.

I see a yin and a yang with the Civil Liberties Union. My current situation, I think you are going to find a new recruit for yourself for the Civil Liberties Union. I have seen—

Mr. BEN-VENISTE. I am sure we will be glad to have you. And let me say that I am not speaking for the Civil Liberties Union per se. And I am not a member of the ACLU. But I must say, I am greatly concerned about how we engineer this balance. Our history has shown us that the greatest challenges to our liberties come in time of crisis.

Mr. CUNNINGHAM. I agree. And I have seen the power of the government and just how a normal citizen is helpless from it. And seeing that, you get—you kind of gain a new respect.

Now, let me give you the other side of the equation and sometimes why some of us feel put out by the same organization. There was a report called the Phoenix Report, and that report was about the pilots that trained in Arizona that crashed into New York City. Those pilots and their cohorts spoke about supporting Osama bin Laden. They spoke about supporting al-Qa'ida, of killing Jews, of killing Americans, nonbelievers. But yet, when the local law enforcement and some of our agencies wanted to go after them—and this was briefed to us in the committee. First of all, they had a real action thing that in Libya—it wasn't Libya, it was Yemen. They were trying to get out two of our operatives because they were in a safe house, and that was their priority. But one of the other things that they feared, that if they went after these individuals, they would be brought up by those organizations in court, and they were limited so much with all the deployments and overworked that they would be brought up before the courts, and they couldn't do that. So in that case, the Civil Liberties Union and the ACLU, I thought, was a disservice.

But I have also seen the other side of it, and there was another hearing that I sat through that you learn things, I guess, as you get older about good and bad and ugly. And it is not all—I used to think they were both all bad, let me just say that. But I have learned that that is not the case, and I would like to thank you for your service.

The sharing of information is very, very critical, but I can also see—sitting in the service, I was on a mission once, and the controller called black bandit; and I said, what is a black bandit on the radio? And they wouldn't tell me because it was classified. They wouldn't share the information. I, as the pilot, didn't need to know what this meant. Is it the Vietnamese pilot was low on gas? And they wouldn't tell me. I thought that was pretty important stuff, and I didn't find out until I got back to the Pentagon. And you can imagine the anger about the sharing of the information, but yet they didn't want to give up the source that they knew that he was low on fuel, and if they had told the world that he was low on fuel, the Vietnamese would know it.

So there is a mix and a balance of these things. And I want to thank you for what you do, Mr. Ben-Veniste, and the issues that you bring. We may disagree on some of the issues, but I thank you for doing it. And I yield back.

Mr. BEN-VENISTE. Well, thank you. I think you are—may I comment, Mr. Chairman? Your point is very well taken in terms of how we have to be smarter and focused. Obviously, al-Qa'ida knows how open a society we are, and how vulnerable we are, and how we cherish our protections. That cannot mean that there are areas

where they can operate where we may not go. For example, we cannot allow an institution, a building, a mosque to be specific, to be completely prohibited from any kind of intelligence activities because that would provide sanctuary in an unrealistic way, given the information we know. By the same token, we cannot have willy-nilly agents operating in mosques throughout this country. That would be grossly unfair to our loyal and patriotic Muslim population in this country. So that the FBI, for example, has set up rules that require very high-level, at the highest level, authorization to conduct investigations within houses of worship, such as a mosque, under circumstances like this.

So your point is well taken. There has got to be a balance. But as I say, to meet this challenge and preserve our liberties, we have got to be smarter and more focused than we have ever been in our history.

Mr. SIMMONS. If you would indulge me for one final question.

Mr. BEN-VENISTE. Yes, sir.

Mr. SIMMONS. If my colleagues would indulge me.

Ms. JACKSON-LEE. Mr. Chairman, I didn't—

Mr. SIMMONS. Oh, I am sorry. Ms. Jackson-Lee. I apologize.

Ms. JACKSON-LEE. I am cognizant of the gentleman's time. Thank you very much, Ben, if I might call you that, because I want to thank you for your work.

Mr. BEN-VENISTE. Richard would be good.

Ms. JACKSON-LEE. I got the middle part, didn't I?

Mr. BEN-VENISTE. Thank you.

Ms. JACKSON-LEE. Thank you for that work. And as well work that we did some years ago and your leadership on that as well.

It troubles me with the questions that I asked Mr. Allen on how we could be more synergistic, if you will, I used that term before, with the Department of Homeland Security and the intelligence. And I would ask your comment on that. I feel uncomfortable in his new position, that we are not well integrated with our Intelligence Community. It was one of the, I think, egregious areas of 9/11, if we highlight anything about the Intelligence Community. Now, with the Homeland Security Department, which I think is a positive step, I don't think the glue is there.

Would you comment on how this new position, or the position that was now filled by Mr. Allen, can be utilized to improve efficiency in the Intelligence Community, and then you would add to that whether or not Mr. Allen's position could be viable without budget authority and whether or not budget authority is needed? And then if you would comment as well on the question I asked him, though he offered that we would have a closed briefing, how would you analyze the way we performed with respect to the two incidents, the one in New York dealing with a threat to rail security and then now the one in Baltimore, just from your perspective as you sat on the Commission. And I thank you very much for that service.

Mr. BEN-VENISTE. Thank you, and it is a pleasure to see you again, Congresswoman.

Let me start with your last question first. And I think it would be irresponsible for me to comment on that because you do need a closed briefing to know what was said and when it was said and

what was provided to the local authorities. If I were sitting on the committee, I would want to know whether the specific information that was provided in New York and in Baltimore was accompanied by an assessment of the credibility of the underlying source, because here we learn that very quickly, after New York reacted in the way it did to the threat information, the Department of Homeland Security was, through various briefings here in Washington, saying that the—that they did not regard it as a credible threat.

Now, particularly with foreign intelligence information, it becomes very difficult, as this information passes through various channels and gets to State and local authorities, to provide the kind of evaluative information, information that would help them determine whether a specific threat is credible or not. I could give you a very specific threat that someone was going to put \$50 in your office drawer, but if I told you it was the tooth fairy, you wouldn't be worried about that. So you have got to know who it is that these people are talking about. And the problem is the same information sharing and willingness to provide information, you can't give half a loaf. If you give half a loaf, you may be costing a tremendous amount of money in terms of reaction, and not just the cost of the police riding the subways and that, it is also the cost of instilling fear in a certain segment of the public, and people will be at varying levels, much more vulnerable to hearing this time and again.

On the other side, you are going to have the Chicken Little effect; that is, when there is a true and credible threat that they have to react to, people will not take that threat seriously because of all of the false alarms that they have heard before.

So whether it be Chicken Little or the boy who cried wolf, it is imperative that we keep faith with our State and local authorities. We can't expect mayors and Governors to act responsibly with only a portion of the information. They have to become full partners here, and this is one of the things that we have talked about at great length and highly recommended with the Commission's report.

Budget authority, I think I have addressed my own views on that. I think that Mr. Allen has a great storeroom of knowledge about how things work in the Intelligence Community, and I think the personal relationships are very useful in that regard. He knows where to look for things. He knows the kind of dodges that are put forward. He knows, you know, the difference between shoe polish and other stuff. And so that is very helpful. But it is not going to happen without leadership, and there's got to be consistent leadership from the President on down. The President has got to want this to happen. The Secretary has got to want this to happen, and then hopefully, hopefully it will start to happen.

But we are dealing with decades-long resistance to sharing of information, and in order for us to be the smarter, more focused kind of Intelligence Community that is necessary here, we have got to break down those walls, that resistance, because obviously, the greater efficiency in getting this information collected and analyzed, the better off we will be. 9/11, in our view, might have been prevented had we utilized the information which had been collected in advance of 9/11 in an efficient and effective way, and that is the

lesson in its simplest form that we have got to apply as we go forward in the next months, years and indeed decades.

Ms. JACKSON-LEE. Both our time is up. Let me just thank you for appropriately answering the first question with the appropriate dodge of asking to relay that in the context of sharing classified information. But that was the gist of the inquiry, which is we could have done it better, or we can do it better; however, we may be briefed in a classified manner.

And I will just close by saying to you and to this committee that there is much agreement that we could have avoided 9/11, saved lives, and our best intent of the Homeland Security Department was to be able to save lives prospectively, and that is what I hope we can do with a better intelligence system, and I don't think we are there yet. And I thank you for answering.

Mr. BEN-VENISTE. I commend the subcommittees here today because it is critical that Congress, in its oversight capacity, do the necessary. I mean, we have got to work together with the executive branch here to really hold their feet to the fire. It is not enough just to talk the talk here. You can't just give lip service to these problems. It is an every day job that requires hard work and, I have to say, focused and intensive oversight by the Congress.

Mr. SIMMONS. We have had a very exceptional hearing this afternoon. I will note for the record that page 413 of the 9/11 Commission report has an outline or a line and block chart of recommendations, and included within the recommendations is an open source agency. I assume, Mr. Ben-Veniste, that you support the concept of open source.

Mr. BEN-VENISTE. We certainly do. This is an area in which we felt had been neglected over time there has been a much greater focus on gizmos and gadgets and a substantial lobby to get those items purchased. I don't denigrate their usefulness, but there is a tremendous amount of information that can and should be collected, and that information should not then be classified. I mean, this is—in your questions to Mr. Allen, you make the obvious point, you know, this is open source material. So let's use it in an open and constructive way. It sounded to me like Dr. Strangelove, no fighting in the war room. This is open material.

Mr. SIMMONS. And if we take the thought just a little bit further, if, in fact, there is a concern in America that there not be too much secrecy in government, doesn't a Department of Homeland Security intelligence capability lend itself to the concept of open source, of specializing in openly acquired information that is then processed analyzed and disseminated? Isn't this a sort of a natural home for this discipline?

Mr. BEN-VENISTE. It is, but my own caution is that in collecting the information, you have got to be sensitive to where you are collecting it as well as how you are collecting it, and disseminating it with a regard for civil liberties and the sensibilities that are associated with that. So it has got to be focused. We have got to be smarter, and we have got to be more focused.

Mr. SIMMONS. Absolutely.

We thank you very much for your testimony and for answering the questions. I thank the staff for coordinating a hearing among two subcommittees of two different committees. That is a huge

challenge. I used to be a staffer myself. I know how difficult it is. I thank them, and I thank you, Mr. Ben-Veniste, for your testimony.

Ms. JACKSON-LEE. Chairman, names are important here. So may I just say thank you, Richard Ben-Veniste. Thank you very much.

Mr. BEN-VENISTE. Thank you, Sheila Jackson-Lee.

Mr. SIMMONS. This hearing is now concluded.

[Whereupon, at 5:07 p.m., the subcommittees were adjourned.]



## APPENDIX

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### MATERIAL SUBMITTED FOR THE RECORD

#### CHARLES ALLEN RESPONSES TO HON. ZOE LOFREN QUESTIONS

**(1) Mr. Allen, will you have direct line authority whereby you can direct the various intelligence units within the Department to gather specific kinds of information for particular analysis needs and—perhaps most importantly—will you have budgetary authority over those intelligence units in order to drive a common intelligence mission?**

**Response:** As Chief Intelligence Officer, I draw on two main streams of support to exercise authority over the intelligence offices in the DHS operating components.

First, I use the Homeland Security Intelligence Council (HSIC), which I chair, as a key instrument for exercising authority over the DHS intelligence enterprise. The HSIC, a decision-making body that meets at least every other week, consists of heads of the intelligence offices of the DHS operating components.

Second, I exercise my oversight authorities with the support of the Department's Chief Financial Officer and Chief Human Capital Officer within the Office of the Under Secretary for Management. With respect to budget authority, overall DHS intelligence requirements, as defined by me, will be coordinated with the Chief Financial Officer and the Under Secretary for Management to ensure they are accurately reflected in budget documents submitted to Congress. As an example of my budgetary authority, the DHS Future Years Homeland Security Program (FYHSP) for FY2008–2012 will include language from the Chief Intelligence Officer requiring components to provide programmatic detail and requested resource levels for their intelligence programs and activities to the Chief Intelligence Officer, to include services, requested FTEs and requested budgets, so that I can review the proposed cross-Departmental capability of the DHS Intelligence Enterprise for FY2008–2012 and advise the Secretary as to whether this will meet the Department's and its customers' needs.

As I noted in Congressional testimony in October 2005, I believe I have sufficient authorities to lead and manage the DHS intelligence activity.

**(2) If not, how will you get the intelligence shops to do what you want them to do without control over their budgets?**

**Response:** In my role as Chief Intelligence Officer, I am currently leading a strategic planning effort across the Department's Intelligence Enterprise, which includes all the intelligence components in DHS.

The first phase of the strategic planning concluded on 10 January 2006 with the production of the first ever DHS Intelligence Enterprise Strategic Plan, which sets forth the vision, mission, and strategic goals and objectives for the entire DHS Intelligence Enterprise.

Later in January, the second phase of the strategic planning will conclude with the production of a DHS Intelligence Enterprise Action Plan, which will lay out a roadmap the intelligence components of the Department will follow as they integrate and move toward realizing the goals and objectives of the strategic plan.

Finally, the Department's FYHSP, scheduled for release early-Feb 2006, will include the first ever guidance for the intelligence components in the Department to build their intelligence programs toward the end-state of becoming an integrated DHS Intelligence Enterprise. This guidance will shape the program build for 2008–2012 and help ensure the realization of the Department's vision of an integrated DHS intelligence enterprise, optimized to support the full spectrum of the Department's missions and customers.

**(3) As you pull the Office of Intelligence & Analysis together, how will you judge your progress—specifically, what metrics will you apply to gauge improvement and areas in need of improvement?**

**Response:** The Office of Intelligence and Analysis, under my leadership as Chief Intelligence Officer, is currently participating in the Department-wide Intelligence Enterprise strategic planning. In January 2006, the Office will examine the action plans it has developed across its mission areas/services (plans that will be grounded in timelines and deliverables in both the current fiscal year and the out-years) and develop performance measures, to include outcome-based metrics, to gauge the Office's progress. The Office of Intelligence and Analysis is currently also working to hire at least two intelligence professionals with strong backgrounds in performance management, program review, and budget-performance integration. These professionals will reside in the Planning and Integration Division and provide a continuing capability to review not only the Office's progress but also that of the entire DHS Intelligence Enterprise. The Office of Intelligence and Analysis will continue to work closely with both the Department's Program Assessment and Evaluation Office as well as the equivalent office in the Office of the Director of National Intelligence (ODNI) to ensure its approach, as well as that of the entire DHS Intelligence Enterprise, to performance management is consistent with the Government Performance Results Act, the President's Management Agenda, Departmental and Intelligence Community guidelines, and the best practices both in the government and the private sector.

**(4) What obligations should or will the Chief Intelligence Officer to the Director of National Intelligence and what control should or will the Director of National Intelligence have over the Chief Intelligence Officer?**

**Response:** In my role as the Chief Intelligence Officer and as Assistant Secretary for Intelligence and Analysis, I report to the Director of National Intelligence as specified in the Intelligence Reform and Terrorism Prevention Act of 2004, the Homeland Security Act of 2002, and Presidential Directives and Executive Orders.

**(5) In your assessment, what has the quality of the Department's intelligence analysis staff work been to date in terms of providing information to state and local governments and to the private sector regarding threats to their communities and/or facilities?**

**Response:** Since its inception two and a half years ago, the Office of Intelligence and Analysis has made progress in providing timely, actionable intelligence to its non-Federal partners with regard to threats to their communities and/or facilities.

The Office of Intelligence and Analysis regularly communicates threat information with State and Local officials and the Private Sector. Typically this threat information is communicated in warning products that include protective measures that State and Local and Private Sector officials can take to increase security in their areas. These include specific procedures, as well as information regarding the present situation. In the past, reports have included recommendations to maintain surveillance of critical locations, assess emergency plans, screen personnel, and provide a visible presence as a viable form of deterrence. Past reports have also detailed such actions as the use of random or rolling patrol operations and have included information on test kits and valuable public websites. Additionally, I&A has published a number of Red Cell reports focusing on issues of concern to State and Local officials and the Private Sector. DHS Office of Intelligence and Analysis works closely with the Under Secretary for Preparedness and the Office of State and Local Government Coordination to ensure it is communicating threat information relevant to its non-Federal partners along with actionable recommended protective measures.

But much more needs to be done. Since my arrival in October 2005, I have made the improvement of the quality of analysis one of my top five priorities for the Office of Intelligence and Analysis. My commitment to this priority is demonstrated by the significant investments we are making in training to ensure the continuing maturation of this critical analytic support to the Department's partners in state and local government and the private sector.

The quality of DHS' intelligence analysis work to date in terms of providing information to State and Local governments and to the private sector regarding threats to their communities and/or facilities is maturing as I&A works with both our State and Local partners, and the private sector owners and operators to develop information requirements, appropriate forums, and intelligence products tailored to the respective customer. Specifically, the Homeland Infrastructure Threat & Risk Analysis Center (HITRAC) provided guidance for the development of the National Infrastructure Protection Plan (NIPP) to provide risk based analysis to the critical infrastructure sectors. Additionally, as directed by Homeland Security Presidential Directive (HSPD)-7, HITRAC threat analysts work very closely with our Infrastructure Protection specialists and sector specific agencies to provide threat tailored threat briefs, products, and assessments to senior executives and of the appropriate sector Government Coordinating Council and Sector Coordinating Council. Recognizing the

inter-dependant nature of both critical infrastructure/key resources (CI/KR) and large urban areas, HITRAC has also produced ad hoc products specifically for State and Local authorities based upon threats to infrastructure located within their governance, including information bulletins regarding threats to chemical facilities in New Jersey and critical infrastructure located in the Gulf Region following the aftermath of Hurricanes Katrina and Wilma. HITRAC threat analysts have met and worked with Protective Security Advisors in large metropolitan areas such as Chicago and PSA's and local police authorities in New York City to develop relationships and share threat assessments with private sector owners and operators. These initial efforts will enable HITRAC to develop the appropriate relationships to further improve information sharing at both a strategic and ad hoc level based on the prevailing threat conditions to municipalities and CI/KR at any specific period.

Many of the employees within the legacy agencies that comprise the Department do not view themselves as either collectors of intelligence information or contributors to the Department's intelligence analysis mission. Many of them nevertheless come into possession of information on a daily basis that—if given to the right people—could help identify emerging terrorist threats.

**(6) What specific efforts should the Chief Intelligence Officer make to establish an “intelligence culture” at the Department where all employees will instinctively consider how the information they obtain might contribute to the Office of Intelligence and Analysis’ efforts?**

**Response:** As the Secretary said in his Second Stage Review Remarks from July 2005, intelligence is at the heart of everything we do in DHS. These important remarks set the stage for the full realization of the Department's role in gathering, analyzing and fusing information from across all the components and disseminating the resulting intelligence to a broad spectrum of customers, both within the Department and without, and both within the Federal government as well as to our non-Federal partners.

As the Chief Intelligence Officer, I have tasked my Director of Training to develop a learning and development strategy to meet not only the needs of the Office of Intelligence and Analysis but also the requirements of the entire DHS Intelligence Enterprise, which includes all the intelligence components of the Department. The Director of Training is partnering with the Federal Law Enforcement Training Center to ensure its intelligence courses, both for future DHS intelligence professionals as well as for its officers, agents and inspectors, are consistent with the vision that everyone in the Department consider the information they obtain through their operations for its potential intelligence value.

In addition, recognizing the priority of establishing a culture not only of intelligence but also of information sharing, we are participating in the Intelligence Community's Information Sharing Training and Education Plan. In this manner, we will establish a culture that not only is sensitive to the intelligence value of all the Department's information—but is supportive and proactive in sharing this information appropriately, securely and in full accord with civil rights and civil liberties.

One area of ongoing concern is sensitive but unclassified information—information that is often in the hands of the private interests that own or control the vast majority of critical infrastructure in this country.

**(7) How will the Chief Intelligence Officer encourage the private sector to share this type of information, given private industry concerns about business losses due to public disclosure of proprietary information, private sector fears of liability for disclosure, and private citizen's fears of inappropriate and overreaching government secrecy?**

**Response:** DHS is aware of, and maintains strict adherence to, the Protected Critical Infrastructure Information requirements for protecting private sector information. Analytic products, which deal with threats to the infrastructure, are coordinated via HITRAC with members of the Office of Infrastructure Protection, now part of the Directorate for Preparedness, who work to ensure the interests of the private sector.

In addition, DHS I&A has jointly published with the FBI a Terrorist Threat Reporting Guide tailored to the private sector to provide indicators of what activities they encounter may be of interest to DHS and the FBI.

DHS IA personnel participate in regular training on the handling of intelligence information and maintain a strict adherence to intelligence handling policies and laws, particularly with respect to the handling of U.S. persons information.

From what I have heard to date, Secretary Chertoff has not included a continuity of operations (COOP) plan for the Office of Intelligence & Analysis in the event of a catastrophic national, regional, or local event.

**(8) What should a COOP plan for the Office of Intelligence & Analysis look like, and what are your plans in this regard?**

**Response:** DHS Office of Intelligence and Analysis has been an active participant in Departmental COOP (continuity of operations) planning and guidance since its inception, formerly as a part of the Directorate for Information Analysis and Infrastructure Protection and now in its new role as a direct report to the Secretary. As part of IAIP, DHS Office of Intelligence and Analysis exercised its COOP readiness and operational ability in 2005 as part of the TOPOFF 3 and PINNACLE exercises. As a stand alone component, the DHS Office of Intelligence and Analysis recently participated in the Department-wide review of which functions are required and survivable in COOP conditions; the Office of Intelligence and Analysis used the results of that study to update its COOP Implementation Plan in light of the Office's new role and that of the Assistant Secretary, now designated as the Chief Intelligence Officer. The Office of Intelligence and Analysis COOP Implementation Plan was approved by the Chief Intelligence Officer in January 2006 and will be tested at the 2006 Forward Challenge/TOPOFF 4 exercise.

**(9) Please advise if any contractors assisted in the preparation of the answers to these Questions for the Record; the names of any such contractors and the companies with which they are associated; the precise role of any such contractors in preparing the answers; the percentage of the work in preparing these answers the contractors performed; and how much the contractors were paid for their assistance in preparing the answers.**

**Response:** No contractors assisted in the preparation of the answers to these Questions for the Record.

