

**THE WAY FORWARD WITH FUSION CENTERS:  
CHALLENGES AND STRATEGIES FOR CHANGE**

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**HEARING**

BEFORE THE

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

OF THE

**COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES**

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## **THE WAY FORWARD WITH FUSION CENTERS: CHALLENGES AND STRATEGIES FOR CHANGE**

**September 27, 2007**

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

The subcommittee met, pursuant to call, at 10:03 a.m., in Room 311, Cannon House Office Building, Hon. Jane Harman [chairwoman of the subcommittee] presiding.

Present: Representatives Harman, Dicks, Langevin, Carney, Perlmutter, Reichert, and Shays.

Ms. HARMAN. Good morning. The subcommittee will come to order.

We are meeting today to receive testimony on the way forward with fusion centers, challenges and strategies for change.

More than 6 years after 9/11, our nation has seen a revolution in information sharing, perhaps most dramatically at the state and local levels, with the creation of some 42 intelligence fusion centers.

A year ago this month, Charlie Allen, the department's chief intelligence officer, noted that, "Fusion centers are recognized by the director of national intelligence as a center of gravity, key to the effective exchange and assessment of information between federal government and state and local partners."

These centers, staffed by police and sheriff's officers, public health authorities, private sector representatives and others, are an effective ground-up response to the need for more and better information about terrorist threats so communities can prepare and prevent rather than waiting for the federal government to arrive and save the day after 9/11.

I applaud, and I know all members of this subcommittee applaud, the initiative of state and locals to figure out what data they need and how to get it to protect their neighborhoods and their communities.

I think everyone recognizes that fusion centers hold tremendous promise and the Department of Homeland Security and the FBI are among those who share the view that they hold tremendous promise.

Both of these entities have begun stationing hundreds of their employees onsite to assist in fusion center efforts.

The members of this subcommittee, as I mentioned, have been strong supporters, as well. Together, we have visited four fusion

centers in Los Angeles, Seattle, Denver and Baltimore, and we plan to see more.

We have also made sure that the recently enacted 9/11 Recommendations Act, H.R. 1, includes tools that DHS needs to help fusion centers with their information sharing missions, both locally and nationally.

Our purpose in drafting the legislation this way was a simple one—to encourage the Department of Homeland Security to partner, I want to emphasize that word, partner more effectively with fusion centers and the FBI and other entities located there, not to dictate to them about who should be doing what, but to partner with them to determine what should be going on.

While fusion centers have great potential, we acknowledge that they are not without challenges, and that is why we are here today.

I commend CRS and GAO for the helpful research they have done on fusion centers, research that can help us structure useful federal roles going forward. CRS and GAO have both raised issues about the fusion center future that need clear answers.

Number one, the absence of a national strategy. Many fusion centers are essentially collocation centers. They lack skills and resources to develop or disseminate accurate, actionable and timely information in order for communities that they represent to be protected.

They lack sustainable resources. They lack a common baseline, one that consistently focuses people on figuring out what facts they need to protect against particular threats.

After reading the reports, I am baffled why DHS and the FBI still haven't consolidated their multiple information sharing systems so fusion center staff doesn't need to log onto three, four or five different networks to determine what threats they are waking up to each morning.

The department promised us earlier this year that it would be looking into ways to make HSIN, H-S-I-N, and RISSNET work together better. I hope that the department representative on our second panel will have a progress report.

The reports also raise other important questions about privacy and civil liberties training, something we have explored in other hearings, about the disturbing fact that DHS and the FBI don't recognize each other's security clearances at fusion centers. This is obviously absurd.

All of us hope for success and this hearing should move us forward, but before turning to our witnesses, let me use this podium to deliver two other messages to the Department of Homeland Security.

In addition to the fusion center issue, the 9/11 Act, H.R. 1, included a framework for the interagency threat assessment and coordination group, the ITACG, at the National Counterterrorism Center. It is a lot of acronyms, but the National Counterterrorism Center is our national fusion center.

The ITACG is a common sense idea that should help us incorporate state and local people in the fashioning of intelligence fusion products so that when they reach state and local entities, including fusion centers, they are useful.

We have had a long and sad fight about this effort to include state and local people in the ITACG. Mr. Reichert and I and the chairman and ranking member yesterday sent yet another letter to the Department of Homeland Security, but I was informed late last evening by the deputy at DHS, Michael Jackson, that finally a memorandum of agreement on this subject was signed either last night or early this morning.

We look forward to reviewing it, and we look forward to a visit to the NCTC with Mr. Jackson to make certain that state and local people are properly in place and that, at long last, they are contributing what is necessary to fashioning our national fusion center products.

The other issue I just want to mention is that I understand from reading the press that the department is going to proceed next Monday in standing up its new office to task military intelligence satellites to do certain jobs focused on the homeland.

This was the subject of a hearing a few weeks ago. This committee, on a bipartisan basis, has requested the legal underpinnings of this document. Some of us sent a letter urging a moratorium on the operation of this function until we get those documents. My understanding is we don't have those documents and I think the department's action is ill advised.

Let me just welcome our witnesses and now yield to the ranking member for his opening statement before we start the hearing.

Mr. REICHERT. Thank you, Madam Chair. Good morning.

Our hearing today focuses on fusion centers and is made possible by the longstanding efforts of this subcommittee to focus on the critical information sharing efforts taking place at fusion centers.

And I think when most people think about fusion centers, they think about the collection of INTEL and the fusion of the INTEL, the analysis of the intelligence gathered, but there is more to fusion centers than that. It is a fusion of people and it is a fusion of organizations.

The information coming together, the intelligence coming together is really one of the easier aspects of this concept to accomplish. One of the harder things is getting the organizations to recognize each other as equals in this effort and the thing that makes it work is really, in my opinion, the fusion of the personalities. And the more that you can include the personalities from the different organizations, the more that you will see this really does become a fusion center that is functioning in the way that we would all like to see this concept finally take place.

So we know it is going to be a long process. We know there is going to be some hiccups in the process. But I think, at least from my experience—I have gone totally off of my speaking points here. I am just speaking straight from my heart here.

I have 33 years of experience in law enforcement, local law enforcement, starting in a patrol car, hostage negotiator, SWAT commander, precinct commander, homicide investigator, and, finally, as the sheriff in Seattle. And in every one of those positions throughout my 33-year career, I have had the opportunity to work and interact with the federal agencies.

So not only at a base street level, working with the agents on the street from every federal agency that you could imagine, but also

from the level of the sheriff's office, one of the largest sheriff's offices in the nation, and working with the SACs of those organizations and trying to come up with a way that we could all work together to make this community safer.

So when you do that, you make friends. And when you make friends, you make progress and that is really when the hard work gets done.

As a part of working together and building those relationships, wanting to share information and analyze information, we also want to be very cognizant of our civil liberties, and the chairwoman mentioned that as one of our concerns, also.

We appreciate the studies that you have done and recognize that there is going to be some criticism shared with us today and we think that is important for us to hear. But we also want to recognize the progress that has been made.

And, again, I know, from my day on the street, how it was then and how it is today and there is tremendous progress that has been made. So that progress is made when the criticism is received in a way that is constructive and is presented in a constructive way.

So we hope that today that constructive criticism is shared with us and it is taken in a way that is constructive, so that we can all move forward and make sure that our communities are safe and this country is safe and that we continue to be a free nation with all of our civil liberties protected. That is the job of all of us in this room.

And, Madam Chair, I yield and thank you for the opportunity to share my thoughts.

Ms. HARMAN. I thank the ranking member for his comments and agree with all of them. I think your experience brings great value to this subcommittee.

Other members of the subcommittee are reminded that under the committee rules, opening statements may be submitted for the record.

Now it is time to welcome our first panel. Our first witness, Todd Masse, is currently a specialist in domestic intelligence and counterterrorism with the CRS, the Congressional Research Service. In this position, he provides nonpartisan counterterrorist and domestic intelligence analysis to members of Congress and our staffs.

Prior to joining CRS, he spent a decade with the FBI in the counterintelligence and counterterrorism fields. He served as both an intelligence research specialist and, subsequently, a strategic intelligence advisor. He has worked closely with senior executives of the FBI on strategic planning for intelligence and counterintelligence in identifying and assessing the foreign intelligence and terrorist threats to the U.S.

Our second witness, John Rollins, is a CRS employee who serves as a specialist in terrorism and international crime. Prior to joining CRS, he was the chief of staff of the Department of Homeland Security's Office of Intelligence. Mr. Rollins' career includes a variety of analytic, legal and management positions in the Army, FBI, CIA, DIA, U.S. Marine Corps, Delta Force, and the United Nations.



This man, sadly, cannot hold a job. He is a licensed attorney and graduate of the senior executive fellowship program at Harvard University.

Our third witness, Eileen Larence, currently serves as a director for homeland security and justice issues at the GAO, where she manages Congressional requests to assess various homeland security issues. These include assessing the state of homeland security information sharing since 9/11 and the protection of the nation's most critical infrastructure.

And by the way, I think you have all heard me in past hearings commend the department for a lot of progress on identifying what that infrastructure ought to be.

Ms. Larence has a master's in public administration and extensive experience at GAO.

Without objection, the witnesses' full statements will be inserted in the record and I now ask each of you to summarize for 5 minutes or less, beginning with Mr. Masse.

**STATEMENT OF TODD MASSE, SPECIALIST, DOMESTIC INTELLIGENCE AND COUNTERTERRORISM, CONGRESSIONAL RESEARCH SERVICE**

Mr. MASSE. Chairwoman Harman, Ranking Member Reichert and members of the committee, my name is Todd Masse and I am a specialist in domestic intelligence and counterterrorism with the Congressional Research Service.

I am joined today by my colleague and coauthor, John Rollins, who is a specialist in intelligence and international crime.

Per your instructions, we will keep our opening remarks brief to allow ample time for questions and answers.

You have asked us to share the findings of our analysis with respect to state fusion centers. Our research and analysis are in the publication of the CRS report, "Fusion Centers: Issues and Options for Congress." A summary of this report has been submitted for the record.

I will speak to the fusion center value proposition, risks to the fusion center concept and other descriptive and analytic findings.

Mr. Rollins will then discuss federalism and the federal role in supporting fusion centers, as well as options for Congress.

Before sharing a summary of our substantive findings, I would like to first make a few brief remarks about our research methodology. In order to reach the greatest amount of fusion centers and gather the most comprehensive set of data, CRS designed and fielded an original survey.

We conducted in-depth interviews with 36 fusion center representatives. We also consulted with interested federal stakeholders, including the Department of Homeland Security, the Federal Bureau of Investigation, the program manager for the information sharing environment.

We attended the first annual national fusion center conference and held our own fusion center seminar, at which fusion center representatives from Maryland, Virginia and the District of Columbia were in attendance. We also visited a number of fusion centers, including the Maryland coordination and analysis center in Baltimore.

The creation of post-9/11 fusion centers does not represent a totally new concept, but suggests an extension of pre-9/11 state and local law enforcement intelligence entities. Most state police agencies have run intelligence or analytic units for decades.

Many of the fusion centers examined for this report were the outgrowth of those units, prompting some to refer to fusion centers as "state police intelligence units on steroids."

However, the function of sharing classified weapons of mass destruction, terrorism information and homeland security information is new.

The fusion center value proposition is relatively straightforward. By integrating various streams of information and intelligence, including that from the federal government, state, local and tribal governments, as well as the private sector, a more accurate picture of risks to people, economic infrastructure and communities can be developed and translated into protective action.

While we believe the fusion center value proposition has substantial merit and potential, developing the appropriate skill sets, resources and intelligence philosophy to implement that value proposition is essential.

We identified at least four risks of the potential future development of fusion centers. The first is intelligence philosophy; the second, civil liberty and privacy concerns; third, time concerns; and, fourth, sustainment funding.

Fusion centers roles and responsibilities. Many of the first wave fusion centers, those created after 9/11, were solely focused on counterterrorism. Today, less than 15 percent of the fusion centers describe their mission as solely counterterrorism.

Budgets. Annual budgets for the fusion centers range from the tens of thousands to several million dollars, with one center at over \$15 million. Federal funding ranges from zero to 100 percent of fusion center budgets, with the average and median percentage of federal funding at approximately 31 and 21 percent, respectively.

Thus, it appears, on the whole, fusion centers are predominantly state and local funded.

Mr. Rollins will now speak to federalism, the federal role in supporting the fusion centers, and options for Congress.

**STATEMENT OF JOHN ROLLINS, SPECIALIST, TERRORISM AND INTERNATIONAL CRIME, CONGRESSIONAL RESEARCH SERVICE**

Mr. ROLLINS. Good morning.

Ms. HARMAN. The chair recognizes Mr. Rollins. I gather you are sharing your time for testifying, is that correct?

Mr. ROLLINS. That is correct. I will be brief.

I would like to touch briefly on two issues, federalism and options for Congress.

Federal role in supporting fusion centers. Part of the challenge from the federal perspective has been how to guide and support, in your chairwoman, be a partner, but not dictate how these state-established fusion centers manage their internal priorities.

Federal activities that may address these concerns include providing strategy-based guidance to be adopted by state fusion centers, providing technical assistance and training, providing finan-

cial resources to support fusion center startup and sustainability costs, and providing personnel resources.

Currently, DHS' office of intelligence has 17 personnel assigned to state fusion centers. The FBI has over 250 personnel assigned to state fusion centers.

Options for Congress. It should be noted that every fusion center challenge does not necessarily have a federal solution. However, should Congress seek to act, our research suggests two tiers of options for Congressional consideration.

Tier one, national strategy and sustainable resources. At present, a national fusion center strategy does not exist. One option for Congress is to recommend that the executive branch draft an inter-agency national fusion center strategy.

Naturally, we recommend that state and regional fusion center representatives be a part of developing this strategy.

Second, address the sustainment funding question. The question of sustainment funding was foremost in the minds of state fusion center leaders. Should federal funding to fusion centers be continued? If so, to what end? And what conditions should Congress place on the federal funds that are provided to fusion centers?

The second tiered option focuses on creating a true and trusted partnership. Further development of the relationship between federal law enforcement and intelligence community organizations with state fusion centers may prove helpful.

The following activities may facilitate relationship-building efforts. Agreeing upon federal and state mission objectives, enhancing training and outreach efforts, and enhancing information access and management.

This concludes our opening remarks. Thank you for convening this important hearing. We look forward to any questions you may have.

[The joint statement of Mr. Masse and Mr. Rollins follows:]<sup>1</sup>

Ms. HARMAN. Thank you, Mr. Rollins.

The chair now recognizes Ms. Larence. You are recognized for a 5-minute summary of your prepared testimony.

**STATEMENT OF EILEEN LARENCE, DIRECTOR, HOMELAND SECURITY AND JUSTICE ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Ms. LARENCE. Thank you. Madam Chair, members of the subcommittee, I am pleased to be here today to summarize the preliminary results of our reviews of state and local information fusion centers. We expect to issue a final report next month.

Madam Chair, as you recognize, after 9/11, states and major urban areas realized they needed to fill a void. They needed their own capability to collect, analyze and share terrorism information, since the federal government could not meet their unique needs.

They also realized they could be important eyes and ears to provide the government information, especially on homegrown terrorism. So states and localities created fusion centers, with personnel from federal, state and local law enforcement and homeland

<sup>1</sup>[See CRS Report for Congress, "A Summary of Fusion Centers: Core Issues and Options for Congress", September 19, 2007, Todd Mass and John Rollins, Prepared for Member and Committees of Congress, maintained in committee file.]

security organizations and, in some cases, the National Guard, emergency responders or the private sector.

The federal government, in turn, realized centers could be a critical mode in the information sharing environment that the Congress called for and so decided to build a national network of centers, which DHS and DOJ are to support with grants, technology, training and other help.

This spring, we interviewed directors in 50 states, D.C. and eight urban areas and learned that centers vary tremendously, that federal help to date will address, but not fully resolve their primary challenges, and that they are concerned about the federal long term commitment to sustaining centers.

More specifically, we learned that centers in 35 states, D.C. and seven localities consider themselves operational, but this ranged tremendously from having five to 80 personnel and from a few to 20 participating agencies.

Most centers are relatively new. Thirty-four were opened since 2004. Twenty of them focused on terrorism, as well as traditional crime, and 18 others said they also focused on other hazards. They did so because they recognized that crime can be a precursor to terrorism, for example, drug money can fund terrorist acts, and that having more members could mean more resources.

Law enforcement organizations, as you recognize, lead most centers and 12 are collocated with the FBI. Most centers can take tips from the public that they can share with federal agencies and provide products such as alerts, bulletins and in-depth reports.

Centers most frequently identified six major challenges that federal support to date is helping to address, but may not fully resolve. The first is fundamentally about information. Some 30 centers raised this issue, from having too many systems to getting too much information, often redundant, thereby clogging their operations.

DHS and DOJ each provide centers access to unclassified and some classified systems. A federal working group is reviewing ways to streamline this access and, as you acknowledged, an interagency threat assessment center, made permanent in the 9/11 Commission Act, is to provide consolidated terrorism information to states and localities. But the center is still forming and oversight could help ensure its progress.

Second, security clearances. Thirty-two centers said it takes too long to get clearances from DHS and DOJ and 19 said the agencies don't always honor each other's clearances, known as reciprocity. Even the law and executive order mandate it.

The agencies have each provided states and localities about 500 clearances and the goal is to issue them faster, but they were not aware or nor addressing the issue about reciprocity.

Third, guidance. Centers appreciated the guidelines DHS and DOJ jointly issued to date and that were codified in the 9/11 Act and the technical support agencies provide. But some centers need more specific operating guidance or how-to steps, such as how to share information while protecting civil liberties.

The national fusion center coordination group has drafted a set of baseline capabilities for centers that provide them some additional guidance, but not yet the details they need.

Fourth, training. Centers want help determining which of the many courses they should use, especially for advanced training, and in funding them, as well as common training standards and a curricula for analysts. The baseline capabilities draft addresses training, but not yet standards and defined courses.

Fifth, 43 centers identified personnel issues, 37 had challenges getting detailees from their members agencies and 20 said finding, attracting and paying analysts and retaining them because of competition for their skills was difficult.

The FBI has personnel in three-quarters of the centers to date and DHS has personnel in 17, with plans to staff 18 more by the end of 2008. This helps, but centers are still concerned about meeting staffing needs, especially in the long run.

Finally, 54 of the 58 centers pointed to funding challenges, 28 cited competition for limited state and local funds, and 35 cited complex, restricted, uncertain and declining federal grants as issues.

DHS has provided about \$131 million in grants through 2006 that states and localities use for fusion related activities, made support for centers a top priority for law enforcement grants, and expanded allowable costs and timeframes for spending the money.

But centers are worried about sustaining operations over the long term. Since the federal government expects to depend on centers, while it cannot commit future resources, we are recommending that it determine and articulate whether it expects to have a long term role in sustaining centers as critical counterterrorism partners.

Madam Chair, that concludes my remarks and I would be happy to answer questions.

[The statement of Ms. Larence follows:]

PREPARED STATEMENT OF EILEEN R. LARENCE

Madam Chair, Ranking Member, and Members of the Subcommittee:

I appreciate the opportunity to participate in today's hearing to discuss our ongoing work on state and local fusion centers. Since the events of September 11, 2001, most states and some local governments have, largely on their own initiative, established fusion centers to address gaps in homeland security and law enforcement information sharing by the federal government and to provide a conduit of this information within the state. Although fusion centers vary because they were primarily established to meet state and local needs, a fusion center is generally "a collaborative effort of two or more agencies that provide resources, expertise, and information to the center with the goal of maximizing their ability to detect, prevent, investigate, and respond to criminal and terrorist activity."<sup>1</sup> Fusion centers may include a range of federal, state, and local entities and collect and analyze information related to homeland security, terrorism, and law enforcement.

With information-sharing weaknesses recognized as a major contributing factor in the nation's lack of preparedness for the September 11 attacks, a number of information-sharing initiatives were mandated by the Homeland Security Act of 2002 and the Intelligence Reform and Terrorism Prevention Act of 2004 (Intelligence Reform Act). The Homeland Security Act requires that the President, among other things, prescribe and implement procedures under which federal agencies can share relevant and appropriate homeland security information with other federal agencies and with appropriate state and local personnel, such as law enforcement agencies

<sup>1</sup>See Global Justice Information Sharing Initiative, *Fusion Center Guidelines, Developing and Sharing Information and Intelligence in a New Era, Guidelines for Establishing and Operating Fusion Centers at the Local, State, and Federal Levels—Law Enforcement Intelligence, Public Safety, and the Private Sector* (August 2006).

and first responders.<sup>2</sup> The Intelligence Reform Act, as amended in August 2007 by the Implementing Recommendations of the 9/11 Commission Act of 2007 (9/11 Commission Act), mandates a more extensive information-sharing regime.<sup>3</sup> It requires the President to take action to facilitate the sharing of terrorism and homeland security information by establishing an Information Sharing Environment (ISE). This environment is to combine policies, procedures, and technologies that link people, systems, and information among all appropriate federal, state, local, and tribal entities and the private sector. This act also requires, among other things, that the President appoint a program manager to oversee development and implementation of the ISE, which the President did in April 2005.

Recognizing that state and local fusion centers represent a critical source of local information about potential threats and a mechanism for providing terrorism-related information and intelligence from federal sources, the Program Manager for the ISE (PM-ISE),<sup>4</sup> the Department of Homeland Security (DHS), and the Department of Justice (DOJ) are taking steps to partner with and leverage fusion centers as part of the overall information sharing environment. The PM-ISE issued a plan for implementing the ISE in November 2006 that incorporated presidentially approved recommendations for federal, state, local, and private sector information sharing. Recognizing that the collaboration between fusion centers and with the federal government marks a tremendous increase in the nation's overall analytic capacity that can be used to combat terrorism, the plan envisions that the federal government, through the ISE, will rely on a nationwide network of fusion centers as the cornerstone of information sharing with state and local governments. Under the plan, DHS and DOJ are to work with states to designate a primary fusion center to serve as the statewide or regional hub to interface with the federal government and through which to coordinate the gathering, processing, analysis, and dissemination of terrorism-related information.

In addition, the 9/11 Commission Act contains several provisions related to fusion centers.<sup>5</sup> For example, the act requires the Secretary of DHS, in consultation with the Attorney General, the PM-ISE, and others, to establish a state, local, and regional fusion center initiative within DHS to establish partnerships with fusion centers that will, among other things, provide operational and intelligence advice and assistance, as well as management assistance, and facilitate close communication and coordination between fusion centers and DHS. In addition, the initiative is to provide training to fusion centers and encourage the centers to participate in terrorism threat-related exercises conducted by DHS.

My testimony today discusses our draft report on state and local fusion centers. The report is currently at DHS, DOJ, and the PM-ISE for review and comment and we expect to issue it next month. Specifically, I will discuss (1) the stages of development and characteristics of state and local fusion centers and (2) the extent to which efforts under way by the PM-ISE, DHS, and DOJ help to address some of the challenges identified by fusion centers.

In conducting this work, we reviewed relevant directives, plans, and documents and interviewed officials—including many of those from the PM-ISE, DHS, and DOJ—who are involved with those entities' efforts to support fusion centers. In addition, we spoke with officials from organizations conducting research on state and local information sharing, including officials at the Congressional Research Service (CRS) who released a report in July 2007 on fusion centers.<sup>6</sup> We also conducted semistructured telephone interviews with officials from all 50 states, the District of Columbia, and 8 local jurisdictions. Specifically, from February through May 2007, we spoke with the director (or his or her designee) of every state fusion center, the District of Columbia center, and 8 local centers to obtain information about the centers' characteristics, challenges encountered, and support received from DHS and DOJ.<sup>7</sup> Our selection criteria for local fusion centers included their relationship with the state fusion center, their stage of development, and geographic diversity. While we did contact officials in all state fusion centers, we did not contact officials in all local fusion centers; therefore our results are not generalizable to the universe of

<sup>2</sup> See Pub. L. No. 107-296, § 892, 116 Stat. 2135, 2253–55 (2002).

<sup>3</sup> See Pub. L. No. 108-458, § 1016, 118 Stat. 3638, 3664–70 (2004), amended by Pub. L. No. 110-53, § 504, 121 Stat. 266, 313–17 (2007).

<sup>4</sup> On June 2, 2005, the President issued a memorandum placing the PM-ISE and its staff within the Office of the Director of National Intelligence.

<sup>5</sup> See Pub. L. No. 110-53 § 511, 121 Stat. at 317–24 (adding section 210A to subtitle A, title II of the Homeland Security Act, Pub. L. No. 107-296, 116 Stat. 2135).

<sup>6</sup> See Congressional Research Service, *Fusion Centers: Issues and Options for Congress*, RL34070 (Washington, D.C.: July 6, 2007).

<sup>7</sup> For purposes of this report, we use "local fusion center" to refer to centers established by major urban areas, counties, cities, and intrastate regions.

fusion centers.<sup>8</sup> Finally, to obtain detailed information about centers' operations and challenges encountered, we conducted site visits to fusion centers in Atlanta, Georgia; Phoenix, Arizona; Richmond, Virginia; Baltimore, Maryland; West Trenton, New Jersey; and New York City, New York. We performed our work from August 2006 through September 2007 in accordance with generally accepted government auditing standards.

### Summary

Established by state and local governments generally to improve information sharing and to prevent terrorism or other threats, fusion centers across the country are in varying stages of development—from operational to early in the planning stages. Officials in 43 of the 58 fusion centers we contacted described their centers as operational as of September 2007.<sup>9</sup> Thirty-four of the operational centers are relatively new, having been opened since January 2004, while 9 centers opened within the couple of years after the attacks of September 11. The majority had missions and scopes of operations that included more than just counterterrorism-related activities, such as a focus on all crimes. Adopting a broader focus helped provide information about all threats and increased the center's sustainability, for instance, by including additional stakeholders who could provide staff and support. Law enforcement entities, such as state police or state bureaus of investigation, are the lead or managing agencies in the majority of the operational centers we contacted. However, the centers varied in their staff sizes and partnerships with other agencies. At least 34 of the 43 operational fusion centers we contacted reported that they had federal personnel assigned to their centers. Thus far, products disseminated and services provided vary from bulletins to in-depth reports.

In light of the importance of fusion centers in facilitating information sharing among levels of government, DHS and DOJ have several efforts under way that begin to address challenges that fusion center officials identified in establishing and operating their centers.<sup>10</sup> DHS and DOJ have made efforts to provide fusion centers access to federal information systems, but some fusion center officials cited challenges accessing relevant, actionable information and managing multiple information systems. As a result, these center officials said that their ability to receive and share information with those who need it may be limited. Additionally, both DHS and the Federal Bureau of Investigation (FBI) have provided clearances to state and local officials and have set timeliness goals for the issuance of new clearances, but some fusion center officials told us they had encountered challenges obtaining and using security clearances.

Further, while law and executive order provide that a security clearance granted by one federal agency should generally be accepted by other agencies, officials also encountered difficulties with federal agencies, particularly DHS and FBI, accepting each others' clearances. Notwithstanding DHS and FBI efforts to deploy personnel to fusion centers and DHS's grant funding to support their establishment and enhancement, fusion center officials noted challenges obtaining personnel and ensuring sufficient funding to sustain the centers. To help address funding issues, DHS has made several changes to address restrictions on the use of federal grants funds. Finally, officials at 31 of the 58 centers said they had challenges training their personnel, and officials at 11 centers expressed a need for the federal government to establish standards for fusion center analyst training to help ensure that analysts have similar skills. DHS and DOJ have initiated a technical assistance program for Fusion centers. They have also developed a set of baseline capabilities, but the document is in draft as of September 2007.

Because of officials' concerns about sustaining their centers and recognizing that doing so is critical if the federal government's nationwide network of fusion centers is to succeed, in our draft report, we are recommending that the federal government determine and articulate its long-term fusion center role and whether it expects to provide resources to centers to help ensure their sustainability.

### State and Local Fusion Centers Vary in Their Stages of Development and Characteristics

<sup>8</sup>Data were not available to determine the total number of local fusion centers.

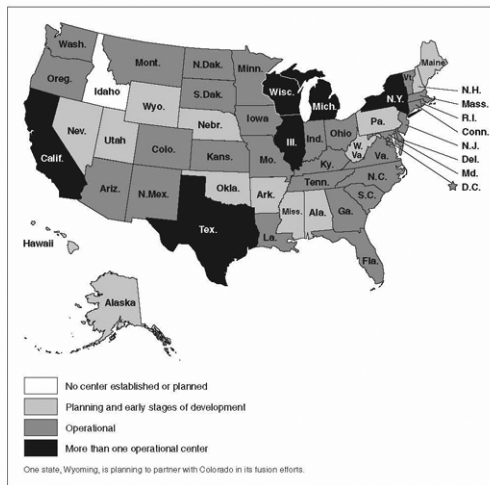
<sup>9</sup>We contacted all 50 states, the District of Columbia, and 8 local areas. However, 1 state did not plan a fusion center. For that reason, we have responses from 58 fusion centers—43 operational and 15 in the planning or early stages of development.

<sup>10</sup>We present information about challenges encountered by 58 fusion centers—those in all stages of development—as they were establishing and operating their centers. Fusion centers may have encountered more than one challenge related to a particular area, for example, related to guidance and training.

Since September 2001, almost all states and several local governments have established or are in the process of establishing fusion centers. Officials in 43 of the 58 fusion centers we contacted described their centers as operational as of September 2007, ranging from having limited operations and functionality to being fully operational and functional. Specifically, officials in 35 states, the District of Columbia, and 7 local jurisdictions we contacted described their fusion centers as operational. Officials in 14 states and 1 local jurisdiction considered their centers to be in the planning or early stages of development, and 1 state did not plan to have a fusion center, as shown in figure 1.

**Figure 1: Reported Stage of Development for Fusion Centers We Contacted, as of September 2007**

Figure 1: Reported Stage of Development for Fusion Centers We Contacted, as of September 2007



Source: GAO analysis of information provided by fusion center officials; Map, Map Resources.

Source: GAO analysis of information provided by fusion center officials; Map, Map Resources.

Officials cited a variety of reasons why their state or local area established a fusion center. To improve information sharing—related to homeland security, terrorism, and law enforcement—among federal, state, and local entities and to prevent terrorism or threats after the attacks of September 11 were the most frequently cited reasons. Thirty-four of the operational centers are relatively new, having been opened since January 2004, while 9 centers opened in the couple of years after the attacks of September 11. The majority had missions and scopes of operations that included more than just counterterrorism-related activities. For example, 23 of the 36 operational fusion centers that provided us mission statements had missions that involved collecting, analyzing, and disseminating criminal as well as terrorism-related information. Further, 11 fusion centers had missions that involved enhancing, supporting, or coordinating information and intelligence dissemination to both law enforcement and homeland security agencies. Adopting a broader focus helped provide information about all threats, because of the link of many crimes to terrorist activity, and increased the centers' sustainability, for instance, by including additional stakeholders.

Law enforcement entities, such as state police or state bureaus of investigation, are the lead or managing agencies in the majority of the operational centers we contacted. However, the centers varied in their staff sizes and partnerships with other agencies. A few centers we contacted had fewer than 5 employees, while others had over 80. At least 34 of the 43 operational fusion centers we contacted reported that they had federal personnel assigned to their centers. For example, DHS has assigned intelligence officers to 17 of the operational centers included in our review. About three quarters of the operational centers we contacted also reported that the FBI has assigned personnel, including intelligence analysts and special agents, to their centers. Additionally, 12 of the operational centers we contacted were colocated in an FBI field office or with an FBI task force. Finally, 19 of the 43 operational centers reported that they had other DHS and DOJ components represented in their



centers, including personnel from Customs and Border Protection; Immigration and Customs Enforcement; United States Secret Service; United States Coast Guard; Transportation Security Administration; United States Attorneys Office; Bureau of Alcohol, Tobacco and Firearms; Drug Enforcement Administration; or the United States Marshals Service.

Many fusion centers reported having access to DHS's and DOJ's unclassified networks or systems, such as the Homeland Security Information Network (HSIN) and Law Enforcement Online (LEO), containing, among other things, terrorism and related information.<sup>11</sup> For example 40 of the 43 operational centers reported they had access to HSIN, while 39 reported having access to LEO. In addition, 16 of the 43 centers said they had or were in the process of obtaining access to DHS's classified network of secret-level homeland security data, and 23 reported they had or were in the process of obtaining access to FBI's classified systems containing, among other things, secret-level investigative case files. Products disseminated and services provided also vary. Fusion centers reported issuing a variety of products, such as daily and weekly bulletins on general criminal or intelligence information and intelligence assessments that, in general, provide in-depth reporting on an emerging threat, group, or crime. In addition some centers provide investigative support for law enforcement officers.

#### **Federal Agencies' Efforts to Support Fusion Centers Help to Address Some Reported Challenges**

DHS and DOJ, recognizing the importance of fusion centers in information sharing, have undertaken efforts that begin to address challenges fusion center officials identified in establishing and operating their centers, such as accessing information, obtaining security clearances, obtaining and retaining personnel, obtaining funding, and finding sufficient guidance and training.

Fusion center officials cited challenges accessing and managing multiple information systems. DHS and FBI have provided information system access, such as to HSIN and LEO, to a number of state and local fusion centers and have outlined plans to provide greater access to their classified networks. However, officials at 31 of the 58 centers we contacted still reported challenges obtaining access to federal information systems or networks. For example, officials in some centers cited challenges with DHS and FBI not providing fusion center personnel with direct access to their classified systems. In these centers, fusion center personnel must rely on federal personnel who are assigned to the center or other state personnel assigned to FBI task forces to access these systems, obtain the relevant information, and share it with them. Further, officials in 12 of 58 fusion centers reported challenges meeting system security requirements or establishing the technical capabilities necessary to access information systems, and DHS and FBI have taken some steps to address these challenges.

In addition, officials at 30 of the fusion centers found the multiple systems or heavy volume of often redundant information a challenge to manage. Officials in 18 fusion centers said that they had difficulty with what they perceived to be the high volume of information their center receives, variously describing the flow of information as "overwhelming," "information overload," and "excessive." For example, officials said that center personnel must sort through the large amount of information, much of which is not relevant to the center, to find information that is useful or important to them. Additionally, officials in 18 fusion centers find the lack of integration among these multiple, competing, or duplicative information systems challenging, or said they wanted a single mechanism or system through which to receive or send information. Officials from the PM-ISE's office said they are collaborating with other agencies, including DHS and DOJ, on an effort to review existing federal information systems and users' needs to determine opportunities to streamline system access. This review is in accordance with recommendations that fusion centers made during the National Fusion Center Conference in March 2007. Specifically, fusion centers recommended the federal government explore using a single sign-on or search capability, which would facilitate accessing multiple systems. However, it is too early to tell whether the efforts by the PM-ISE's office will address the challenges reported by fusion centers.

Both DHS and FBI have provided security clearances for state and local personnel in order to access classified information and have set goals to reduce the length of time it takes to obtain a security clearance. For example, DHS set a goal of 90 days

<sup>11</sup> HSIN serves as DHS's primary nationwide information-sharing tool for communicating sensitive but unclassified homeland security information. LEO serves as a real-time online controlled access communications and information-sharing data repository for sensitive but unclassified information about, among other things, antiterrorism, intelligence, law enforcement, and criminal justice.

to complete a Secret clearance, and FBI set a goal of 45 to 60 days to complete a Secret clearance and 6 to 9 months to complete a Top Secret clearance. DHS and FBI have also provided centers with information about the security clearance process and time frames, stating that processing time for individual security clearances can vary, depending on complexity. However, obtaining and using security clearances represented a challenge for 44 of the 58 fusion centers we contacted. Further, while law and executive order provide that a security clearance granted by one government agency should generally be accepted by other agencies, officials in 19 of the centers encountered difficulties with federal agencies, particularly DHS and FBI, accepting each others' clearances. DHS and DOJ officials said that they were not aware of fusion centers encountering recent challenges with reciprocity of security clearances. However, they said that there were complications in the clearance process because, for example, multiple federal agencies carry out their own processes without central coordination.

Officials in 43 of the 58 fusion centers we contacted reported facing challenges related to obtaining personnel, and officials in 54 fusion centers reported challenges with obtaining and maintaining funding when establishing and operating their centers, challenges that some of these officials also said affected their centers' sustainability. For example, officials in 37 centers said they encountered challenges with federal, state, and local agencies not being able to detail personnel to their fusion center, particularly in the face of resource constraints. Fusion centers rely on such details as a means of staffing the centers and enhancing information sharing with other state and local agencies. Furthermore, officials in 20 of the centers we contacted said that they faced challenges finding, attracting, and retaining qualified personnel. For instance, an official from one fusion center said that finding personnel with the expertise to understand the concept behind the development of the center and to use the tools to build the center was challenging, while an official at another fusion center acknowledged that there was a very limited number of qualified candidates in the state from which to hire personnel. To support fusion centers, DHS and FBI have assigned personnel to centers. As of September 2007, DHS has assigned intelligence officers to 17 of the operational fusion centers we contacted. In addition, DHS was in the process of staffing 8 additional centers and has plans to place officers in a total of 35 fusion centers by the end of fiscal year 2008. The FBI has also assigned personnel to about three quarters of the fusion centers we contacted and continues to do so.

In terms of funding, officials in 35 of the 58 centers encountered challenges with the complexity of the federal grant process, uncertainty as to whether they would receive federal funds, or declining federal funding, and officials from 28 of the 58 centers reported having difficulty obtaining state or local funding. They said that these issues created confusion for their centers over the steps needed to secure federal funds, made it difficult to plan for the future, and created concerns about the fusion centers' abilities to sustain their capabilities for the long term. Fusion center officials identified challenges with restrictions on the use of federal grant funds, unclear and changing grant guidance, and a lack of understanding of how federal funding decisions are made.<sup>12</sup> DHS has made several changes to help address these challenges by taking steps to ease the grant process and by adjusting some of the restrictions on the timing and use of grant funds. For example, DHS expanded grant funding in fiscal year 2006 in the area of allowable costs for information sharing and collaborative efforts. Funds could be used by states to develop and enhance their fusion centers, particularly by hiring contract or government employees as intelligence analysts; purchasing information technology hardware, software, and communication equipment; hiring consultants to make recommendations on fusion center development; or leasing office space for use by a fusion center.

While these funds are helpful, fusion center officials were concerned about the extent of federal support they could expect over the long term. The federal government, through the ISE, has stated that it expects to rely on a nationwide network of fusion centers as the cornerstone of information sharing with state and local governments, but ISE plans or guidance to date do not articulate the long-term role the federal government expects to play in sustaining these centers, especially in relation to the role of their state or local jurisdictions. It is critical for center management to know whether to expect continued federal resources, such as grant funds, facility support, personnel, and information systems over the long term. While the

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<sup>12</sup>A primary federal funding source for fusion centers is DHS's Homeland Security Grant Program, which awards funds to state, local, and tribal governments to enhance their ability to prepare for, prevent, and respond to terrorist attacks and other major disasters. The Homeland Security Grant Program consists of five interconnected programs, three of which can be used by states and local jurisdictions, at their discretion, for fusion center-related funding.

federal government generally cannot commit future resources, articulating the extent to which it plans to help support these centers in the long term is important for fusion center management in their planning efforts and sustaining the network.

DHS, DOJ, and the PM-ISE have taken some steps to develop guidance and provide technical assistance to fusion centers to help address their challenges in the areas of guidance and training. For instance, in August 2006, DHS and DOJ issued jointly developed Fusion Center Guidelines that outline 18 recommended elements for establishing and operating fusion centers—for example, ensuring appropriate security measures are in place for facility, data, and personnel. Officials in 48 of the 58 fusion centers we contacted said that they found the guidelines generally good or useful, although others said they were not specific enough to address their challenges. Officials at 19 fusion centers said they lacked guidance on specific policies and procedures on information sharing or lacked national standards and guidelines on training or qualifications for analysts. Furthermore, officials at 31 of the fusion centers we contacted said they had challenges training their personnel, and officials at 11 centers we contacted, most of whom were operational centers that had been in existence for more than 2 years, expressed a need for the federal government to establish standards for training fusion center analysts. DHS and DOJ have initiated a technical assistance service program for fusion centers and, along with the PM-ISE, sponsored regional and national conferences and are developing a baseline capabilities document to provide more specific guidelines for fusion centers. However, as of September 2007 the baseline capabilities document is in draft.

In closing, Madam Chair, state and local governments created fusion centers to fill their information needs, and the centers have attracted the attention of the federal government as it works to improve information sharing with state, local, and tribal entities in accordance with the Homeland Security and Intelligence Reform Acts. Indeed, the PM-ISE's implementation plan envisions that the federal government will work to promote fusion center initiatives to facilitate effective terrorism information sharing nationwide and designates fusion centers as the focus of sharing with state, local, and tribal governments. To date, DHS's and DOJ's efforts to assist fusion centers, such as providing access to information systems, security clearances, personnel, funding, and guidance, have begun to address a number of the challenges fusion center directors identified to us. However, it is also important for fusion center management to understand the federal government's role with respect to these centers since this affects state and local governments' support to centers. However, many fusion center officials were uncertain about the level of future resources and the sustainability of federal support. Although the federal government cannot make promises regarding future resources, articulating whether the federal government views its role in providing resources, such as grant funding, facilities, personnel, and information-sharing systems, to fusion centers as a short-term start-up effort or for the long-term sustainability of operations is important for fusion center management in their planning efforts and sustaining the network.

In our draft report, which is now at the agencies for review and comment, we are recommending that the federal government determine and articulate its long-term fusion center role and whether it expects to provide resources to centers to help ensure their sustainability. Particular emphasis should be placed on how best to sustain those fusion center functions that support a national information-sharing capability as critical nodes of the ISE. We provided the agencies a statement of facts for our draft report and discussed the recommendation with them to obtain their comments. The Deputy PM-ISE generally agreed with the recommendation, and the agencies provided us technical details, which we incorporated. All agencies will be sending official comments on the draft report later.

Madam Chair, this concludes my statement. I would be pleased to answer any questions that you or other members of the subcommittee may have at this time.

Ms. HARMAN. I thank the witnesses for their testimony and remind each member that, in the order of arrival, you will each have 5 minutes to question the panel.

Now, I will recognize myself for some questions.

Mr. Rollins, you and Mr. Masse briefed some of us yesterday on your findings and you made an analogy to little league. I was struck by this, as a mother of two daughters who played lacrosse, and two sons who were in little league and who were quite clueless wandering around the field. And as a parent, I was just sitting in the stands praying they wouldn't be beamed by a ball.

Could you explain this analogy on the record? I think it would be helpful as we ask you questions about fusion centers.

Mr. ROLLINS. Of course. As the father of three young daughters, it hits home to me at the present.

The analogy is a newly formed little league baseball team, where the players on the field, some are state and local, some come from the FBI, very few are from DHS, some from the military, specifically, the National Guard. So you have got a composition of different players with different skill sets and different objectives on the field.

Some have equipment, some have databases, some have communications devices, some have analytic tools, most do not. But generally, nobody knows the rules of the game. What is the strategy? Is the strategy to score the most points? Is the strategy in the fusion center? Yes. The strategy is to stop terrorism.

But how do we get there from here? There is a lack of understanding of what each partner's skills and abilities, of what equipment is needed and the rules to carry out the game.

Ms. HARMAN. I appreciate that, and it is helpful to me as I think about this. I think that the work that all of you have done is helpful to us as we think about this.

All of us have said this is a good concept, but clearly we need to do some work on both a strategy and on sustainable resources and all of you have given us some guidance.

And you also, Ms. Larence, have pointed up the security clearance issue, which is a big problem, and I hope that our witnesses on the next panel will address this and will address the differences between them—they are the DHS witness and the FBI witness—in terms of clearances.

Surely we don't want to be throwing up any more obstacles to state and locals in their effort to find out what plots are going on in their neighborhoods.

But let me ask you this. As we move forward with a strategy and perhaps some strings attached to federal money so that we make clear the strategy is being followed, don't we risk setting up a new bureaucracy and insisting on cookie cutter fusion centers which may not accurately reflect the needs of very diverse communities?

Mr. MASSE. I will respond to that. I believe you are right there. There is a risk of doing exactly that and one of the elements that we heard in each of our conversations with fusion centers is that these are state and locally formed entities and you don't want to lose that flavor by coming in, for instance, and federalizing it or by providing a sustainable amount of funding, over-conditioning that on guidelines that are not responsive to their state and local demands.

So there is a balance, I think, to be played here. There are national goals, counterterrorism goals, homeland security goals, but there are also state and local goals. And so the bringing together of those through the integration of those goals I think is incredibly important.

And as a strategy is developed, that is one of the reasons why John and I recommended, as a strategy is being developed for what those roles and responsibilities are, that the state and local members, the fusion center directors, are brought into at the earliest

stages of drafting such a national strategy, so they can have input and buy into that strategy as we move forward.

Ms. HARMAN. Let me just comment that that has been our view about this ITACG that I mentioned in my opening remarks, that if we bring in the state and locals to design a strategy of information sharing, it is a similar topic, you have a better chance that it will be effective.

Any other responses to my question?

Ms. LARENCE. Yes, Madam Chair. I would just point out that DHS has acknowledged that they can't take a cookie cutter approach to the centers and, in fact, they do pretty intensive assessments at individual centers, looking to see what that particular center needs based on its geographic location, the risks posed to that community, and it is trying to make risk-based funding decisions about where it is putting the dollars and personnel.

So I think DHS is on that track.

Ms. HARMAN. Well, I hope so. As I mentioned, numbers of us have been to numbers of these fusion centers. They are very different. I think that is a good thing. But some of them are extremely modest, in borrowed space, with detailees and basically no budgets, and no capability to fuse intelligence.

They are more a center of collocation, as some of you have said, for people rather than a fusion center. So I am concerned that we don't have capability yet in many parts of the country that could be useful and I think there is a role to play here, not to build a bureaucracy, but to build capability.

And now let me yield 5 minutes for questions to the ranking member, Sheriff Reichert, who brings very special skills to this issue.

Mr. REICHERT. Thank you, Madam Chair. We all here in this committee have a background of experience that brings different perspectives to this issue.

But I agree with the chair. I get a little nervous when you talk about federal standards and federal involvement in local law enforcement. It is because I have had that experience before.

But I think it is a good idea to have a national strategy and allow the fusion centers to develop, because I think the best ideas come from the bottom up. People who are doing the job know how to get it done and we need to let that process continue to be free and open and, at the same time, give direction. I think that is the real challenge that we are facing.

First of all, which fusion centers were visited in the studies that were conducted?

Ms. LARENCE. Yes. We personally visited centers in California, Arizona, Georgia, Virginia, Maryland, New York and New Jersey, but we interviewed all 50 states.

Mr. REICHERT. Good, okay. We have been to several, too, as the chair has said and we have noticed differences between Seattle and LA and Denver and other places.

Did you find any one of those that was really doing it right, in your opinion, or was there one in particular that you might say, "Gee, this is kind of the shining"——

Ms. HARMAN. Be careful how you answer this.

Mr. REICHERT. I am sure it is Seattle.

Ms. LARENCE. Well, at GAO, we are not allowed to have these, but we sort of had a gut reaction after looking at all 50 states. We think there is probably about a handful that are really mature and well staffed and some of those included—I mean, New York City is kind of the gold standard.

Mr. REICHERT. Yes, right.

Ms. LARENCE. California, Arizona, as well, and Arizona is really helping to address border operations. So they are up and functioning, providing operational support.

At the other extreme, I would just mention some centers that have, at this point, three personnel and are just trying to get their act together.

Mr. REICHERT. I mean, they would be resources, I would think, that you would draw from in order to help establish a better foundation for some of those that are still—I know Seattle really has a good program, but they have a ways to go when I compare it to Los Angeles and, of course, New York.

But there is a resource I would suggest, and I am sure you have already considered that, that would be very useful in helping others across the nation with that local input and the federal input.

Now, this all crimes approach is one that seems to be a consistent theme that we have heard. What is your opinion on how that approach—as we look at the evolution of fusion centers, first beginning at the local level and now, after September 11, taking on this broader view, broader mission of protecting our borders.

So now all these have come together in an all crimes approach. What is your opinion of that approach and keeping our borders safe and, at the same time, addressing local crime?

Mr. MASSE. That is a very good question. I think one of the things is there are a number of reasons for that. Because a lot of these centers are largely staffed with state and local detailees, these centers, when they initially started off, were focusing on terrorism and there was not a lot of “terrorism work” happening at these centers.

And so there was a reluctance on the part of, I think, some state and local law enforcement agencies that, as you know very well, are pressed for resources, to continue to send those valuable resources to a fusion center that was working solely on counterterrorism issues. And so that is one reason.

I think a second reason, as has been mentioned earlier, is looking at criminal activity as a precursor to terrorism, whether or not there are money laundering activities that are going on that are supporting terrorism.

As you know as a sheriff and an investigator, you look at a particular type of criminal activity, you are not certain if there is any nexus to terrorism or not until you investigate and start to look at that.

So I think those are two of the reasons that we have seen sort of a movement from a solely counterterrorism based approach to an all crimes, all hazard based approach.

Mr. REICHERT. Anyone else?

Mr. ROLLINS. I would just offer, and I think this connects to your earlier question, centers that are doing this right, there are natural

competing interests presently at the state fusion centers and the federal government.

Because this transformation over time has reverted back to a criminal or all hazards view of state and local issues rather than a national counterterrorism view, we have got competing interests of what are our priorities, local gangs or radicalized gangs that are coming out of prison?

So there is this natural tension built into the issue.

Mr. REICHERT. I got the answers I expected. Thank you, Madam Chair.

Ms. HARMAN. I thank the ranking member.

Our most recent field hearing was in Denver, Colorado, and our host was Mr. Perlmutter. At that hearing, we explored both steps that are being taken to secure Denver for the national convention, the Democratic National Convention that will be there next year, which requires fusing law enforcement and other functions, both local, state and federal. But we visited the fusion center, which was a very impressive thing to see.

I now yield 5 minutes to Mr. Perlmutter.

Mr. PERLMUTTER. Thanks, Madam Chair.

I agree with the two that have spoken before. What we have seen on our trips is really vast differences between, say, Los Angeles, which had a very sophisticated operation, just from a layman's look at the place, with a whole variety of services available to the metro area for Los Angeles, to Denver, where sort of in the nascent state of five or six people working as best they could with other local agencies and the feds.

Just in terms of the structure of fusion centers today, who is in charge of fusion centers?

Mr. MASSE. I think that is a very valid question, and that would probably be point one of addressing a national strategy. As my colleague, John, just mentioned, there are different interests. There are the federal interests in counterterrorism, there are the state and local interests that also are in counterterrorism, but also in preventing organized crime and sophisticated criminal activities in their state.

So the question becomes what are the actual authorities for fusion centers and one of the things that we found when we talked to the fusion centers we did is that some of them don't have any legal authorities. Some them operate under an executive order. Some of them that are affiliated with the state police agency operate under state police authorities.

When you look at the federal regulations and the extent to which they guide fusion center activities, it is pretty much 28 CFR which looks at the operation of criminal intelligence systems. And I think most of the fusion centers are very well trained on 28 CFR and what types of information they can actually collect, under what circumstances they can collect, how long they can handle that information, retain it, and analysis they can do it and who they can share it with.

But the question of who is in charge is very much an open one.

Mr. ROLLINS. I would just add, at the federal level and probably at the state and local levels, I think most would look at the Depart-

ment of Homeland Security as being in charge or the executive agent of national fusion center efforts.

However, with that said, as we heard earlier, DHS has only 17 personnel assigned to these centers, to grow in the future, to be certain, has an undetermined amount of money devoted to these centers, contrasted to the FBI having 250 personnel in these centers, the FBI sponsoring many of the security clearances for personnel in the centers, the FBI paying for the leasing of facilities for many of these centers.

So once again, I think there is the programmatic answer, but then the on-the-ground question of who is, at the federal level, responsible for supporting fusion centers.

Mr. PERLMUTTER. And I think that is important. Sometimes maybe I am too simplistic, but there has got to be a place where the buck stops on these things. And I think in Los Angeles, we saw virtually every agency.

I mean, there were a lot of federal agencies operating out of that office, the FBI, the intelligence community was there, DHS was there, health and human services was there. They had the whole shebang and then the sheriff's office and various police departments and medical services for the Los Angeles area.

And in that instance, it seemed like the FBI was sort of, in my opinion, maybe I am wrong, Madam Chair, but it seemed like they were sort of—they and the sheriff seemed to be, for Los Angeles County, seemed to be the top guns in that particular office.

But at some level, I think we have got to have somebody who says, "We want these things to work." We understand they are each going to have their different personality, because they serve different purposes. Denver is going to have different issues than Los Angeles or New York City.

In respect of this, and I would just ask all of the panel members, do you, after having reviewed this and studied this, do you think it is appropriate just for these centers to have the analytic approach and that is what they should be, just provide analysis for local agencies or whatever, or should there be an operational kind of all crimes, all hazards approach to this, as well?

Mr. MASSE. I think it really depends. In order to have sort of a federal dictate to fusion centers to say, "You will all be analytic units or you will all be all crimes or all hazards," that may be an instance in which the existing fusion centers would view that as the federal government telling them what they need to do on a day-to-day basis.

I think when you look at a lot of the centers, I think a lot of them were analytic based. That is, they were hiring intelligence analysts to look at the base of criminal intelligence and federal intelligence flowing in and then that went in to supporting state and local investigations and operations.

Others that were more closely tied to the state police or state intelligence units did have an operational. So it depends on a lot of issues, including the resources that they have at the state level, whether or not you would want to be an operation and analytical and do you have the skill sets, the appropriate personnel skill sets to do both or either/or.



Mr. PERLMUTTER. Thank you. My time has expired. So thank you.

Ms. HARMAN. If anyone else wanted to answer that question briefly, please proceed.

Mr. ROLLINS. I was just going to briefly add. From the federal perspective, I don't think it is useful to be prescriptive on how the state centers are organized, whether they are analytic, operational, all hazards, simply crime.

I think from the federal perspective, we are more concerned about ensuring counterterrorism related information makes its way up to the federal chain and down and to each fusion center.

So how a state wishes to internally organize, I think that is fine. We just need to ensure that we are the benefactors of counterterrorism related information.

One shortcoming that is related to this is all counterterrorism related information, even in the most mature centers, isn't making its way into the fusion center. Most often, it is making its way to the joint terrorism task force, which at other times it is shared with the federal government, DHS, and maybe not shared with the fusion center.

Ms. LARENCE. I just had three quick points. We think doing the fusion part is hard enough and that they should focus on that and get that right. I think adding operations onto that is an extremely huge challenge.

Just a reminder that Congress authorized the Department of Homeland Security to be the lead agency for sharing with state and locals. So you have already clarified DHS has that role.

I also wanted to point out that we not forget about Mr. McNamara and his office of information—the program manager for the information sharing environment. That office is responsible for defining the whole kit and caboodle for defining sharing across federal agencies, as well as state and local.

They already have working groups and an infrastructure in place with state and local representatives to be making these decisions about how are we going to do this. And so I think we should also consider them a key player in trying to define a national strategy.

Ms. HARMAN. Thank you very much.

Thank you, Mr. Perlmutter.

The chair now recognizes Mr. Carney of Pennsylvania for 5 minutes.

Mr. CARNEY. Thank you, Madam Chair. This was a nice segue into the discussion.

I am very curious as to the relationship that the federal intelligence community has with the fusion centers. I mean, how well is that shared? Have consistent procedures by the federal intelligence community been developed? Have they been developed to share?

Do we have predictable avenues of sharing up and down, from the states upward and from the federal government downward? We really haven't addressed that clearly yet.

Ms. LARENCE. What we found in our study is it is primarily through the FBI and through DHS. A number of centers have collocated with the FBI and so they get national intelligence information through the federal personnel there, the FBI personnel,

through their systems and DHS is bringing that through HSIN and some of their systems, as well.

We did hear complaints from some of the centers that they don't get direct access to these systems and to this information. It has to go through and be vetted through federal agencies.

Part of that is because they don't have the security structure yet that they need in their facilities.

And it is our understanding, in talking with the National Counterterrorism Center, that they think they are statutorily almost forbidden to be able to share directly with state and locals and that they have to go through primarily DHS to do that.

Mr. CARNEY. Well, that is for all our finished intelligence at the national level, certainly.

Mr. Masse and Mr. Rollins, please feel free.

Mr. MASSE. One of the issues we saw in terms of the information flow was sort of a push versus pull. That is, when you were talking to some of the fusion centers, one of their complaints was that they weren't getting the right information, and part of that was that they didn't feel like they had enough requisite knowledge to ask the right questions or to have requests for information fulfilled in a timely fashion.

And so they had to sort of pull the information versus having the federal community, the federal intelligence community, through the NCTC, operating through FBI and DHS, to push out that information.

I think there are a number of credible reasons and compelling reasons for that. Part of is the lack of cultural understanding between the two communities and any initiatives that bring together those two communities, such as having state and locals at the ITACG, integrating perhaps state and local fusion center analysts into the NCTC itself, directorate of intelligence, they begin to learn one another, learn about one another's needs and then can, therefore, be more responsive to them.

Mr. ROLLINS. I would just offer that there appears to be a lack of understanding of information sharing thresholds, if you will. What type of information needs to be shared, with whom, when? And then once that conversation takes place, what are the technology devices, communications devices that would facilitate the sharing?

So do we, at the federal level, want everything shared from state and locals, whether there is a terrorism nexus or not, or is there a defined threshold to share? And the same with the federal. What are the requirements from the federal government going down to the state and local fusion centers that if you identify this type of activity, we would like information on it?

Mr. CARNEY. Have we gained any knowledge, any insight from the exercise of like top-off on how this is supposed to work and flow?

Mr. ROLLINS. The current top-off is addressing information sharing with state and local fusion, but as you know, that is still in process. Previous top-offs, just because of the nature of the maturation of the state and local fusions, did not look at that.

Mr. CARNEY. Let's pretend for a moment that we have all the resources we need to defend the country. What, in the best of all worlds, would a fusion center look like?

Let me put it this way. We don't have all, but we have enough to do at least the minimum requirement for a fusion center.

What would that look like? What would you need in a fusion center to be effective?

Mr. MASSE?

Mr. MASSE. I think one of the most important things, fusion centers are people. I mean, what we are trying to do here, as Mr. Reichert had mentioned, is not only fusing people to develop the relationships, but you are also fusing information.

So you have to have, in our belief, a core set of intelligence professionals that understand the intelligence cycle. Now, the intelligence cycle, it is INTEL 101. Even in the federal intelligence community, everyone talks about it as if it is implemented on a day-to-day basis, and it is not.

It needs to become far more formal and people and individuals, including from state governors and fusion center leaders and everyone in between, homeland security advisors, need to understand intelligence, the discipline itself and the intelligence cycle and how to implement that cycle so they can serve both the state governors in their homeland security needs, as well as the federal intelligence community.

If I had to put my finger on one thing, it would be personnel and trained personnel.

Mr. CARNEY. Great.

Mr. ROLLINS. I would just add, to Chairwoman Harman's comment earlier, there are too many systems. Right now there are too many systems to access varying degrees of level of security that require, depending on whether it is counterterrorism, counterintelligence, critical infrastructure.

There needs to be a decision made on what type of systems, few, that state and locals, everybody in the fusion center can access to share information, is one.

To look to the future of where we would like to end up with this entire national, not federal, fusion center constellation. We just saw this summer there was a National Intelligence Estimate on threats to the homeland. Well, once again, that is the national, that is the federal government's interpretation.

In the future, it would be nice to see a truly national, including state and local fusion center input into threats to the homeland.

Mr. CARNEY. I guess I was under the impression that that had already occurred.

Mr. ROLLINS. No, sir.

Mr. CARNEY. That is sort of troubling.

Madam Chairman, I thank you for the time.

Ms. HARMAN. Thank you, Mr. Carney.

Yesterday at our briefing, one of the other things some of the witnesses said was that when they asked fusion center personnel about what threats do you face, some of those answers were less than overwhelming.

So there is a lot of work to do.

The chair now yields 5 minutes to the gentleman from Washington, Mr. Dicks.

Mr. DICKS. I think this has been very good work on your part. I want to compliment you.

I think we may have had impressions of what was happening at these fusion centers, even after visiting them, but I think this comprehensive review of the situation helps clarify, in our minds, at least, what we are getting out of this.

Let me just ask this question. What do the locals—I mean, as we said, the local governments are creating these centers in most cases, I guess in all cases.

What is their expectation? What do they think they are going to be getting out of this that will be beneficial to them? And then from the federal point of view, I would hope that, one, that we would be getting the information to these people, as we have been discussing, but also getting information from them on the counter-terrorism issue.

Would you like to take that one on?

Ms. LARENCE. Well, what we heard is that some of the more sophisticated localities recognized early on that they needed—they couldn't wait for the federal government, that these acts are potentially going to happen in their jurisdiction and their communities and they needed to have their act together.

They needed to have good information. They needed to have trained analysts and they needed technology to help them do that. And to be able to figure out their own unique threats to their communities and how they were going to respond to those.

In some cases, now, though, I think it is almost a follow the leader. Some communities feel now that because other states and localities have them, that everybody needs them. So I think in some cases, the money was there and so they are looking to start these centers and they are going to need help to get up to speed as well as some of those sophisticated centers are.

And for them, it gives them access to the national intelligence community and the federal community. It gives them access to people, to systems, to information and to help about what to do and how to use that information effectively, and money.

Mr. DICKS. Do we have any good examples of a fusion center picking up on some activity that might have led to a terrorist attack?

Ms. LARENCE. I have an anecdote that we learned that we were in Los Angeles. It was shortly after the problems with the chlorine gas tanks occurring overseas, and they got some pretty general bulletins down from the federal government.

They were surprised that it took 3 or 4 days to get some information down from DHS on that issue. But they had enough capability to be able to already identify, within their communities, how often do they get those kinds of traffic, could they reroute them, et cetera.

So LA stepped out and took the initiative to figure out, within their communities, what threat was posed and how they could manage that.

Mr. DICKS. You also said that, and we discussed this yesterday, that New York, because they have the resources, the people, the

commitment, is kind of the gold standard here of what one of these offices might look at.

Tell us what New York does that impressed you.

Mr. MASSE. New York has a series of activities that I think are the reason that it is called the gold standard in intelligence, and I think you mentioned three of the top reasons why I think they are the gold standard.

I think it starts with a commitment at the senior most level in terms of Commissioner Kelly and his commitment to counterterrorism.

The personnel that they have brought in are individuals who have served in the federal intelligence community and have extensive background in intelligence. The resources that they have been provided.

But it is also very much, and it exudes throughout their operation, and that is the idea of never again, this prevention mission that I think dominates all else, and to ask permission is to seek denial, is their attitude, and I think they have a series of—they understand their environment, they understand it well.

They have a series of core collectors who are out aggressively and proactively collecting intelligence. They have a very large team of analysts who can analyze that information. They have deployed individuals overseas to collect information, because they don't want any filters between them, between overseas activities and having that report come directly—

Mr. DICKS. Is that legal?

Mr. ROLLINS. That is an open question. I know there have been some questions raised about that.

Ms. LARENCE. I did pose that question to them when I was up there, and they seemed to determine that their state laws give them a little bit more flexibility to do some of the things that they are doing.

Mr. DICKS. But does the federal law give them that ability? I mean, you couldn't have rogue intelligence agencies out there gathering information. I mean, that could be in other countries. That is somewhat concerning to me.

Mr. MASSE. I think what you would hear, and I won't speak for them, but I think what you would hear from them is that these aren't, "intelligence officers" in the traditional sense of CIA or DIA. These are law enforcement to law enforcement on the idea of FBI legal attaché type of operations.

Mr. DICKS. Just one thing on this. Is anybody else doing what New York is doing? Is anybody doing any part of what New York is doing out there are these fusion centers or is New York just a unique situation because of the resources and commitment they have?

Mr. ROLLINS. The latter. Nobody comes close. It is really, I think for reasonable reasons, because of what has happened in New York City over the past two decades, it is unfair to view the other fusion centers with regard to NYPD intelligence activities.

Mr. DICKS. Well, it just strikes me that maybe we ought to be doing the same thing in the District of Columbia and in Los Angeles and in some of these other major urban areas in the country.

Thank you.

Ms. HARMAN. Thank you, Mr. Dicks.

While you were asking your asking your questions, I was just talking to staff about the need for a hearing on best practices and to have the NYPD in here. Not only the commissioner, but also the deputy commissioners for intelligence and for counterterrorism, people that I personally know well and whom we saw recently, in fact, this weekend in New York, when eight of us were up there touring some sites very concerned about the threat of radiological weapons in New York and in other cities.

So I think we can ask a lot of these questions then and we can hopefully see whether, if this model is as attractive as many think, it can be replicated in other cities under major threat, one of which is the one we are in right now.

I want to thank this panel for excellent testimony, very useful reports. We will pay attention to your ideas and look forward to the second panel, which is representatives from DHS and FBI, responding to some of your ideas.

I think that the order of witnesses this day is very constructive and in the future, too, when we will put panels first of people who are making constructive suggestions to federal officials and then have them respond to the constructive suggestions.

So please stick around as we have our second panel.

This panel is excused.

We are looking for Mr. Mines. Here you are.

It is my pleasure to welcome our second panel. Our first witness, Jack Tomarchio, was appointed by President Bush as principal deputy assistant secretary in the Office of Intelligence and Analysis at DHS in late December 2005.

Mr. Tomarchio's core responsibilities include working with state and local governments, the private sector and other members of the federal intelligence community to ensure that critical intelligence is more effectively and efficiently shared. Prior to joining the department, he was a partner in a national law firm.

Our second witness, Michael Mines, serves as the deputy assistant director in the FBI directorate of intelligence. Mr. Mines began his FBI career in 1980, when he was assigned as a media specialist in the office of public affairs at FBI. He became an FBI special agent in 1983.

In 2005, he was appointed special agent in charge of the criminal division of the Washington field office, where he was responsible for all criminal and cyber crime issues in this city and in Northern Virginia. In 2006, he was named deputy assistant director at FBI headquarters.

Our third witness, Norman Beasley, will provide our state and local perspective, very important. He currently serves as the counterterrorism coordinator for the Maricopa County, Arizona Sheriff's Office, where he provides support to the office in the areas of counterterrorism, special events, demonstration management, intelligence, facial recognition and homeland security related issues.

I think you can go head-to-head with Sheriff Reichert here.

He was responsible for the development, implementation and operation of the Arizona counterterrorism information center, a multi-agency operation involving over 240 state, local and federal officers from 41 agencies. The center has become a national model

for intelligence fusion centers, and we just heard that from the last folks.

Without objection, the witnesses' full statements will be inserted in the record. I would now ask each of you to summarize your statement in 5 minutes.

We will start with Mr. Tomarchio.

**STATEMENT OF JACK TOMARCHIO, PRINCIPAL DEPUTY ASSISTANT SECRETARY, INTELLIGENCE AND ANALYSIS, DEPARTMENT OF HOMELAND SECURITY**

Mr. TOMARCHIO. I have a brief opening statement.

Madam Chairwoman, I am pleased to be here today to present to you and the members of this committee the status of the Department of Homeland Security's state and local fusion center program, which is now 15 months in existence.

Developed to address our specific statutory requirements created under the Homeland Security Act of 2002, this program was designed to share national intelligence and threat information with our state, local, tribal and private sector partners, all of whom are necessary allies in our nation's efforts to protect the homeland.

The office of intelligence and analysis was tasked by Secretary Chertoff as the executive agent within the department for the management of the fusion center program on June 6, 2006. The department's chief intelligence officer, Assistant Secretary Charles E. Allen, specifically placed the management of the program under me as the principal deputy assistant secretary for intelligence and analysis.

Over the past 15 months, my staff and I have made this our core effort, and I am pleased to inform you that we continue to meet our goals, as we expand the program to more states and municipalities throughout the nation.

I am also pleased to testify today with Mr. Mike Mines, the deputy assistant director for intelligence of the FBI, which has been and continues to be a constant and valuable partner with us in the fusion center program.

Few programs have received the level of attention in the first year as this program has. You will hear today from the Congressional Research Service, you already heard from them, and the General Accountability Office, the FBI and from our state partners about our efforts.

Unfortunately, there will be some weaknesses revealed. We recognize that. And we continue to work to improve the program together with our state, local, tribal and other federal partners.

Each level of scrutiny informs us. We have read the CRS report on fusion centers and we agree with the recommendations, in general, for improving the operational aspects of these centers. We do, however, take exception with the CRS report finding that the fusion centers are not operating successfully as counterterrorism nodes.

We await the final report from GAO, with whom we have worked closely for over a year now to provide an unprecedented level of transparency and cooperation in their attempts to accurately inform you of our progress. We believe in what we do and we hope this will be apparent in their report.

We were advised just last week that our program will undergo a Congressionally sponsored inspector general review by the department's IG office, whose results should be delivered to the House Homeland Security Committee in the spring of 2008.

And, finally, we have been scrutinized by the media, who have released dozens of articles over the past years relating to our activity. Mr. Allen and I welcome scrutiny, for, as I said earlier, each level of scrutiny informs us of our progress, highlights our strong points and underlines those areas where more work needs to be done.

It has always been our intent that this program stand tall in the light of scrutiny, and we remain proud of the work we are doing for our nation and for our citizens.

Fusion centers are at the epicenter of addressing many of the vulnerabilities revealed in the aftermath of the 9/11 tragedy, but they are also places where the most sensitive information is exchanged. Some of our most insightful national security information is exchanged in these centers and, accordingly, we must ensure that with the exchange of this information, the privacy, rights and civil liberties of our citizens are always protected.

This challenge epitomizes the struggle that we have as a nation to protect our citizens while, at the same time, ensuring the protection of their civil rights, civil liberties and privacy.

The 9/11 Commission Act recently passed by this Congress goes a long way in assisting us in the proper management and relationship with fusion centers from the federal level. The informed provisions of the act will help us make our program better and the nation safer, while guaranteeing the protection of our citizens' personal information and privacy.

We applaud the Congress on the development and implementation of this act.

Last year, my boss, Mr. Allen, briefed you that we intended to have 20 DHS intelligence officers deployed to fusion centers around the nation by the end of 2007. I am pleased to inform you that we will meet this goal. As of today, we have deployed 19 officers from the office of intelligence and analysis, who are on station, working daily with our state and local partners in fusion centers.

Additionally, we have 36 other officers from across the DHS enterprise that are also working in fusion centers at various levels. Just last week, we selected an additional five officers from INA who we anticipate will be on station by the end of this calendar year and we are working on hiring two additional officers for deployment to New York City as we speak.

Selecting these officers is not easy. In every case, we work with the fusion center to determine what the needs are specific to that center and we try to select those officers who will best meet those needs. It is not a precise science, but we feel it is the most effective way to ensure that the value proposition for our relationship with the fusion center is recognized.

We hope to have 35 officers deployed by the end of next year and the goal of the program is to provide every primary fusion center within a state a representative over the following 3 years.

The response we have received thus far from the fusion centers is unanimously favorable and, in many cases, the fusion centers



have made public acknowledgements that this is some of the best support that they have received from the federal level.

I receive nearly weekly commendations from the states for the work of our deployed officers. They alone, however, do not provide the support that the states require. Behind each of these officers, when we deploy them, there are many skilled workers who are preparing products for dissemination, analyzing the risk that that state and their local partners face, and working as part of the intelligence cycle to ensure that our customers receive the most timely, relevant and actionable intelligence we have to assist them in mitigating these threats as they become known.

Detailed in my formal testimony are statistics too numerous to mention, in this short period of time, that demonstrate a renewed level of commitment to the states. We have worked mightily to ensure that we are meeting their needs and we do not work alone.

Our federal partners in the DOJ, the FBI and the intelligence community are working with us.

Ms. HARMAN. Could you please summarize at this point, Mr. Tomarchio?

Mr. TOMARCHIO. Absolutely.

Madam Chairwoman, as I said before, we are pleased with the progress we have made. We haven't licked all the problems yet. There are many challenges that are ahead.

We believe, however, that the DHS, together with our federal partners, together with our state and local partners, can meet these challenges and make the progress that this committee will scrutinize us on and we think make progress that will not only protect our homeland, but also ensure the protection of the civil rights and civil liberties of our citizens.

Thank you.

[The statement of Mr. Tomarchio follows:]

PREPARED STATEMENT OF JACK THOMAS TOMARCHIO

Good morning, Madame Chairwoman and members of the subcommittee. I am pleased to be here today to share with you the initiatives we are taking through our State and Local Fusion Center Program to ensure information sharing with our State and local partners, and the many efforts within our Office that support the vital work these centers do in protecting our Nation.

As you are aware, Madame Chairwoman, the Office of Intelligence & Analysis (I&A) initiated just over a year ago a plan which was approved by the Secretary of Homeland Security to support in a meaningful fashion the efforts within State and local jurisdictions to share threat information and intelligence assessments, not only between the Federal Government and the State and local governments, but also between the States themselves. Many States and major urban areas had established centers whose purpose was to foster an environment where this information could be assembled and analyzed to ensure proper resources were in place to mitigate the threats as they were revealed. Although some fusion centers were developed without Federal support, many used Federal grant money to create centers. We recognized early on the benefit of local governments taking the initiative to create more robust information and intelligence sharing efforts and tasked our State and Local Program Office to prepare a plan that would optimize the sharing of Federal information with these centers.

Secretary Chertoff understood the unique benefits that could be realized by creating a strategy that would work with these centers and using them as the primary facilitation point for the sharing of information and intelligence with local governments and, as such, appointed I&A as the Executive Agent for the Department in supporting these centers. It is important to realize that these centers are not Federally owned, managed or developed, they are locally controlled and we at the Federal level must be invited to work within their sphere of control. This of course is a dif-

ferent, more grass roots method of providing federal information, but it is effective. Due to this important distinction, it is appropriate not only to describe the structural support we provide on a daily basis, but also the many creative approaches we have taken within DHS to share intelligence with our State and local partners and work with them collaboratively in these centers to conduct the most important mission we all mutually face as governments—that of protecting the homeland.

As the executive agent for the Department concerning fusion centers, we have become acutely aware of the many challenges that exist when one sets out to partner with local governments in the exchange of information and intelligence. Central to this effort is not only the need to protect the information being exchanged, which in some cases could reveal very sensitive national security information, but also information that is central to ongoing, active criminal investigations that, if compromised, could possibly hinder prosecution or jeopardize our most sensitive law enforcement confidential sources or intelligence capabilities. I am pleased to be sitting here today with the Deputy Assistant Director for Intelligence from the FBI, Mr. Mike Mines, who I know shares deeply our concern that sensitive information remain protected but, like me, also believes in the need to get information to officials at the State and local level who act on this information in variety of ways that keeps us safe. At the core of our effort remains not only a desire to keep this information safe, but also ensure the protection of the civil liberties and privacy rights our citizens enjoy and which make our nation the model for how government can protect its citizens without damaging the Constitutional protections afforded all of us.

In the invitation to speak before you today our office was asked to describe the present status of the State and Local Fusion Center Program, challenges that DHS may be facing in supporting this effort, and finally how the Congress might help to support our efforts. Let me begin my describing our current status.

#### **Current Program Status**

The deployment of DHS analysts to the fusion centers is one way we build a trusted relationship with our state and local partners. As of today, we have 18 intelligence officers deployed to fusion centers nationwide, and we plan on nearly doubling that number by the end of next year. To do this, we continue to perform needs assessments at all fusion centers to deploy the right people, expand DHS component participation in fusion centers, install information technology systems, and provide the centers with access to DHS and National Intelligence Community intelligence.

The Fusion Centers have direct access 24 hours a day, seven days a week to our Intelligence Watch and Warning Division, which is part of the National Operations Center. The Watch serves as an entry point into DHS for the State and Local Fusion Centers and our deployed officers. The watch routinely answers requests for information from the deployed officers and provides them access to current classified threat information through their daily intelligence briefings, which are sent via Homeland Secure Data Network to each deployed I&A officer.

State and Local Fusion Centers also interact and mutually share information (as appropriate) within the larger Intelligence Community.

In addition to deploying analysts, DHS Headquarters' I&A analysts and SLPO officials spend a great deal of time building relationships with their fusion center partners. I&A analysts are in contact daily with fusion centers, via e-mail and phone, fielding queries on the latest threat information, al-Qa'ida messaging, or even simply providing analytic POCs. Analysts frequently visit their counterparts at the state and local level to make contacts and discuss analytic threat issues—all to build the trust that will take the partnership to the next level.

Now that nearly 50 fusion centers are up and running across the country, we want to further enhance their effectiveness. Our assistance focuses on the management of fusion centers as intelligence nodes. This assistance covers management and direction, planning capabilities centered on the elements of the intelligence cycle, and best practices and lessons learned.

Our goal is to sustain and capitalize on our investment. We ensure that DHS operations in fusion centers support information exchange and the intelligence cycle. Our people and tools, combined with the efforts of other partners in the fusion centers, help provide continuous situational awareness for all members of the National Fusion Center Network, at all levels of government and with the private sector.

The National Fusion Center Network was called for by the President as part of the Information Sharing Guideline Two report to be the method that information will flow vertically among the State and locals. This network of trusted partners creates a technique for passing information in emergent or tactical situations with little to no potential for disruption or time delays since each person acts as a node receiving point-to-point communication.

Getting more eyes on the information to analyze it within the local and national context is critical for guarding the security of the homeland. It is in this area that we have made the biggest strides since, our Chief Intelligence Officer, Mr. Charlie Allen, last briefed you on the program. Our efforts to support the centers are underpinned by some very important initiatives within our office that have been recently praised by our State and local colleagues.

From the outset, DHS recognized that there must be a robust analytical effort to support the provision of threat warning and intelligence assessments to fusion centers. To date, the Department has taken a very active role in supporting the information and intelligence exchanges with fusion centers. For example, in our Critical Infrastructure Threat Assessment (CITA) Division within the Office of Intelligence and Analysis, classified threat papers were prepared for each State and the territories and each State participated in working groups to review these with the states. This combined approach has helped DHS better understand the unique threat environment each State faces. It will also inform efforts within DHS, to include decisions involving distribution of grant money and other forms of support. While this catered approach is very labor intensive, we believe it must be done to ensure the States believe their equities are being considered when we make decisions in Washington that affect their threat mitigation posture.

The Office of Intelligence and Analysis analytical divisions hosted two conferences this year for State and local analysts working in fusion centers, one focused on WMD Threats to the Homeland, and the other on Extremism and Radicalization. In both cases, more than 100 analysts from across the country participated in workshops designed to enhance their understanding of these very critical areas of concern. The WMD conference, held at Camp Parks, CA, was conducted in cooperation with Sandia National Laboratory. This conference provided greater insight and understanding of the many tools the Federal government leverages to support the mitigation of this threat. For many State analysts, this was their first exposure to this form of training and the feedback was universally positive from our customers. We are planning a future analytic conference next year on border and maritime security threat issues. Our hope is to encourage a greater dialogue and understanding of common threats. Throughout the year, analysts come together in smaller groups to discuss specific topics of interest, such as prison radicalization, domestic extremism, and infrastructure concerns in specific areas of the country.

We realize that understanding the threat can be complex and often clouded by unrelated events or issues not associated with a particular threat stream. Therefore, when events occur, the Federal government must provide our State and Local partners prompt, responsive notifications and the proper context so that they can discern between an actual terrorist threat and a criminal incident that lacks any nexus to terrorism. As a result, our Intelligence Watch and Warning Division provides Chief Intelligence Officer (CINT) Notices, or CINT Notes, a new product line that communicates information and analysis on emergent issues, domestic or international, to Homeland Security partners, to include Federal, State, Local, Tribal, and Private Sector. These CINT Notes are fully coordinated with the FBI and are disseminated as a joint-sealed product by DHS and FBI, to ensure our State and Local customers hear one voice from the Federal government. To date, we have disseminated 41 CINT Notes to keep more than 1,000 partners informed of breaking events worldwide and to diffuse any speculation about threats to the Homeland. Examples of coverage include incidents occurring in the Homeland such as the Cory Lidle plane crash in New York City, the Ft. Dix plotters, terrorist group media announcements such as the recent al-Qa'ida media blitz and international terrorist attacks like the London and Glasgow bombings, and the release of the U.S. National Intelligence Estimate. When warranted, we conduct these notifications via teleconferences, allowing questions and answers for our customers. We are receiving positive feedback from State and local customers as well as the Intelligence Community on these products. We have focused on ensuring that we reach this new customer set at the State and local level, not just in the ways described thus far, but also by asking our customers what they value in the information exchange and working with the fusion centers to determine what information they require and in what form they most easily digest that information.

Our Collections and Requirements Division (CR) has worked closely with State and local stakeholders to improve the Department's ability to respond quickly to their inquiries for information. In 2007, the CR Division has thus far processed over 117 formal requests for information from State and Local Fusion Centers. CR Division officers have also briefed Emergency Managers and State National Guard Staff in 10 hurricane-prone states and U.S. territories on how the Interagency Remote Sensing Coordination Cell (IRSCC) might satisfy their geospatial and remote-sensing needs during Incidents of National Significance.

Additionally, in accordance with the legal authorities that protect the handling of US Person information, we are beginning to see the fruits of the trusted relationship we have developed, as our state and local partners begin sharing their unique information with us. This type of ground-truth information has never before been available to the Intelligence Community. One of the ways we can do this securely is via the Homeland Security Data Network (HSDN) webpage created for each fusion center. The Production Division has been working with the I&A's State and Local Program Office to develop these pages that will allow each fusion center to post their information at the SECRET level, which we hope will inform the rest of our Intelligence Community partners of the information available to them from the domestic realm. Just last week New York City delivered 22 intelligence products for posting. Now anyone across the country with SIPRNET or HSDN access can search a topic and return hits that include New York City's and other fusion centers' products. These can and will inform the thinking of all Community analysts.

Finally, each of our divisions produces monthly digests, which are concise, open source, products tailored to the State and local audience that provide important insights on specific topic areas. For example, we produce monthly products on Domestic Extremism, Radicalization, Critical Infrastructure and Borders. Feedback on these monthly products by our fusion center partners has been positive.

Let me detail some substantive information sharing numbers that I believe will inform the committee on the breadth of the work accomplished in recent months. The first Homeland Security WMD Intelligence Reporting Guide will be produced for state and locals soon. We have released over 120 finished intelligence products and 1,300 unclassified Homeland Intelligence Reports, HIRs, to our state and local partners. Based on state and local customer feedback, we have changed the way we present our information to improve the quality and relevance of our products. We have recruited and trained Reports Officers at SLFCs by providing mobile training teams to seven states. The connectivity to fusion centers has enabled us to write 22 Homeland Intelligence Reports using state-or local-origin information—information that would not have made it to the Intelligence Community, or other parts of the Federal Government, any other way.

I&A is developing joint products with State and local analysts on bioterrorism and health security issues, chemical, nuclear and radiological topics. We have collaboratively produced baseline assessments of radicalization trends in both California and Ohio. In each case, analysts in our Office worked with State and local analysts as well as our deployed officers to look at issues of common concern and work together to determine a common view which can then be presented to the Intelligence Community and shared with our Federal and State partners.

This summer I&A began a State-and-Local Fellows program, which we hope is the first step in enhancing individual States' capabilities and understandings of intelligence workings. Captain Charles Rapp, of the Baltimore Police Department, was selected as the first fellow and he has been instrumental in assisting our Headquarters personnel in better understanding the current State and Local environment. Recently the 9/11 Commission Act provided guidance on this effort and we are now in discussions on sustaining this program with short-term analytic exchange visits throughout the year. Sgt. Joel Howard, of the Chicago Police Department, will join us beginning in November. We are also currently hosting an analyst from the New Jersey Office of Homeland Security and Preparedness, Mr. Tavis Rendell, and we expect to bring an analyst from Georgia to Headquarters to work on a specific intelligence assessment in the coming months.

Many State and local fusion centers assist in the very important role of protecting our borders. The 9/11 Commission Act emphasizes the importance of enhancing our border intelligence and our Borders Analytic Branch is developing ways of consulting with state, local, and tribal partners to identify topics and analytic methods that will be most useful to Federal, State, and local operators in the field. Along with the deployment of officers to fusion centers, we have sent a specially assigned officer to the El Paso Intelligence Center (EPIC) to work with the Southwest Border States and our federal partners to better understand the threats there and to assist our local and federal partners in developing a common approach to the information exchanges required to secure our border.

Our Information Sharing and Knowledge Management (ISKM) group continues to provide forward leaning and formative assistance to the State and Local Program Office in a number of ways to achieve the goal of enhanced information exchange and the development of collaborative projects. For example, DHS hosts a weekly threat teleconference with the 26 fusion centers that have joined the Community of Interest created by ISKM to provide the DHS perspective on threats and to allow states the opportunity to discuss threats from their perspective. This weekly conference is gaining wide praise for the openness of the content and its ability to bring

many areas of concern to the attention of a national audience whose unique perspectives inform our many analytical efforts at headquarters. Additionally, ISKM has taken the lead in providing technical solutions to the fusions centers to include Secret Video Teleconferencing (SVTC) capabilities, Homeland Security Data Network, our SECRET-level data network, which will be in 20 fusion centers by the end of this year and double that number by the end of next year.

Further, Madam Chairwoman, I am particularly pleased to report to you that the Interagency Threat Assessment & Coordination Group, or ITACG—mandated by Guideline Two of the President's 2005 Memorandum to Heads of Departments and Agencies and recently enacted into law by the 9/11 Act, or PL 110-53—will soon begin operation at the National Counterterrorism Center (NCTC).

As you know, the ITACG will advise, counsel, and use its subject matter experts, including federal and state and local officials, to educate NCTC and other federal agencies, whose products ultimately are destined for state and local consumers, on what is most important and actionable from their perspective. Per the direction of both the President and the Congress, the ITACG's advice, counsel, and subject matter expertise will facilitate the production and dissemination to state and local stakeholders of "federally-coordinated terrorism information products" in the areas of time-sensitive threats, situational awareness reporting, and strategic assessments. Moreover, for the first time ever, state and local officials in fusion centers will have access to key systems and information available at NCTC.

The ITACG initiative will facilitate the dissemination of key information and analyses to our fusion center efforts and provide a unique access into the Intelligence Community's terrorism-related holdings. This initiative was requested by many fusion center leaders and the Major City Chiefs Association and we are pleased to report progress in its implementation.

Within I&A routine communications and information exchanges occur 24 hours a day, seven days a week. We have undertaken a review of our existing channels and seek to continuously improve them. Presently a Fusion Cell is continuously manned at the National Operations Center in DHS to keep the Secretary and senior leadership apprised of all activities relating to DHS' interactions with State and local governments. Fusion centers reach out to this cell for routine and emergent information and intelligence exchanges. DHS has recently decided to expand this desk to work in the TS/SCI realm along with the present SECRET level area within the NOC.

All of the efforts currently underway to support the fusion centers and State and local information needs more broadly are foundationally supported by effective training. When Mr. Allen last spoke with you on fusion centers, Madame Chairwoman, earlier this year you closed the discussion with a very poignant remark concerning the need for training. I am pleased to inform you that our Mission Integration Division's Training Branch has worked diligently to address your concerns. Every one of our DHS officers receives training from the Offices of General Counsel and Civil Rights/Civil Liberties. The Department of Justice along with DHS' Technical Assistance Office in FEMA has facilitated two regional workshops to help fusion centers begin to develop and implement policy relating to privacy and civil liberties.

Individual training supports the intelligence cadre of the fusion centers. This mobile training is synchronized with standard intelligence and privacy and civil rights/civil liberties training offered to DHS intelligence officers. The set of training courses include a Privacy, Civil Liberties and Civil Rights Overview; Reports Officer Training; Intelligence Writing and Briefing; Critical Thinking and Analytic Methods; and Intelligence Oversight and / or the Criminal Intelligence Systems Operating Policies under Title 28 CFR Part 23. We have also hosted discussions with privacy rights advocates to capture their insights and understand their concerns.

I must also mention the many staff officers in I&A who work tirelessly to support our State and Local Program Office in a variety of ways, whether through support to budgeting and planning or even the very real processes of preparing testimony for this committee on the program. It should not go unnoticed that these back office functions are every bit as important as the direct day-to-day analytical and technical support our office provides to our State and local customers. Our security division in particular provides direct security support to the fusion centers on a daily basis. They are in fact the security managers for each and every state and local partner, providing security clearances, facility clearances—allowing the deployment of our secure IT platforms—and general subject matter expertise.

With the assistance of the Program Manager, Information Sharing Environment (PM-ISE) a combined Federal and State fusion center policy group has been created to take a continuous look at the issues affecting and relating to fusion centers. The National Fusion Center Coordination Group, co-chaired by our State and Local Program Director, Mr. Robert Riegle and Special Agent Mines, has taken a proactive

approach to the formulation of standards for the centers in areas of training, civil liberties and civil rights, privacy and baseline qualifications for analysts. I felt it important to bring this to your attention as I know it to be a topic of great interest to you as evidenced by your inclusion of \$8 million in the Iraq War Supplemental, to allow the State and Local Fusion Centers to address many of the concerns outlined in Mr. Allen's previous visits before this Committee. I am pleased to inform you that \$500,000 of this money is planned specifically for training in fusion centers on Civil Liberties and Privacy and will soon be delivered to our Civil Liberties and Civil Rights Office through an interagency agreement.

Congress continues to be a significant contributor to our success. Recognition of our efforts in the Implementing Recommendations of the 9/11 Commission Act of 2007 (PL 110-53) will help us as we build and sustain the Program. We are on track to provide a Department-wide Concept of Operations for interaction with fusion centers by November as required by the Act.

I would like to take a moment and detail what the current efforts to support State and Local Fusion Centers has accomplished. We have seen fusion centers serve as hubs for intelligence collection and analysis all over the country—allowing us all the ability to determine the exact nature of threats, separate the credible from the non-credible, and make decisions about what actions to take to protect local communities. They support vertical integration through all levels of government as well as horizontal integration across the nation.

Recently the New York State Intelligence Center (NYSIC) received three reports of unexplained behavior that took place in three different communities across the State. A request was made to the Office of Intelligence and Analysis to see if there were other similar reports across the country. We checked Intelligence Community, DHS, and fusion center databases revealing several other instances of this sort of behavior. As stated by New York Deputy Secretary for Public Safety, Michael Balboni, "It is this type of connectivity to the DHS community which will provide the intelligence to prevent another attack."

Last year, we received threat information that a tall building in Los Angeles was the target of a potential attack. We had to decide quickly whether this threat was credible, what information to share, and what actions to take. Because we had a DHS officer stationed in the Los Angeles Joint Regional Intelligence Center, we immediately communicated the information to him and offered our view that the threat had little credibility, but we wanted to obtain the view from the local level. Our officer reached out to the FBI field office and the JTTF and together they analyzed the credibility of the threat. DHS, FBI, and local law enforcement partners in the JRIC—including the Los Angeles Police Department and Los Angeles County Sheriff's Department—presented that assessment to officials in the Los Angeles area and the California Office of Homeland Security. Together, all of these partners came to a decision that the threat was not credible. Why is this important? First, it saved time and ensured a rapid response. Information flowed quickly and was immediately acted upon. Second, it was a coordinated effort. Everyone came to an agreement about what needed to be done and did not waste a lot of time or resources on something that ended up being not credible. Third—and most importantly—it allowed state and local authorities to work directly with the Intelligence Community to corroborate, or in this case refute, threat information originating overseas. The allocation of resources to a non-credible threat did not occur ensuring these assets remained available for other efforts that required their use. This is a new capability that really didn't exist before.

During the unfolding events of the Virginia Tech incident earlier this year, the Virginia Fusion Center, the Virginia State Police, and our officer in that Center, were able to keep our office and the Secretary informed as the event unfolded. This spirit of cooperation allowed us to keep other Homeland Security stakeholders around the country in the loop as we quickly determined that this was not a terrorist act. The Virginia Fusion Center, responsible for providing information to the investigators on the ground, contacted the DHS Law Enforcement Support Center, the LESC, to verify the citizenship status of the perpetrator as well as information relating to the owner of the weapons found at the scene. The need to rule out terrorism was especially important to Virginia's fellow States as they all needed to know whether their own Universities were at risk.

And most recently, a traffic stop in Goose Creek, South Carolina for speeding occurred involving a car with Florida tags. The two Egyptian nationals in the vehicle had materials that could possibly be used in making explosives as well as bomb-making manuals. The FBI was notified. Both subjects were charged under State law with "possession of a destructive device". Both remain at the Berkeley County Detention Center facing charges relating to immigration violations, which were brought by Immigration and Customs Enforcement officers in DHS. This event high-

lights the value of having a national fusion center network; nodes in each state prepared to field inquiries from other state and Federal agencies and respond quickly to a suspect activity consistent with terrorism. In this case, the fusion centers and the deployed DHS Intelligence and Analysis officers worked closely together with the FBI to meet the immediate information needs of the law enforcement agencies on the ground.

Information is our nation's force multiplier against potential terrorist attacks and crime. In all these cases, information was leveraged quickly and completely to enable action.

#### **Future Challenges**

I believe that I have given you a good understanding on the current status of State and local fusion center efforts, and I am sure Mr. Mines will have more information to add. What I would like to do now is answer the second part of the committee's request, which asked that I detail some of the challenges and what Congress might do to help.

At the outset of our program's development, we understood that identifying, hiring and retaining qualified personnel to deploy to the fusion centers as our single greatest risk to the program. These people are individual contributors and, in many cases, the single face of DHS to the partners in the fusion centers. They have a complex job and our information sharing efforts often fall completely in their laps—they have to balance sensitive situations in their states as well as engage the National Intelligence Community to ensure that everyone has the information they need, when they need it. We depend on these people a great deal.

Finding the right officer, with appropriate skills, in this highly competitive environment can be difficult. Even though we are a member of the Intelligence Community, as part of DHS, we are required to use the competitive service processes to hire people. This process often does not identify those people we need for these critical positions in a timely and efficient manner.

The Senate Select Intelligence Committee drafted a provision in its FY 2008 authorization bill that allows the DNI to convert competitive service positions within an IC element to excepted service positions. We support this provision.

We welcome Congress' support of our activities. The Implementing Recommendations of the 9/11 Commission Act, however, add several tasks to our current Program. We have analyzed these requirements and recognize that we will need to substantially reprioritize our efforts to ensure we are doing all we can to comply. Several of these efforts have been included in the strategic plan previously mentioned, but we must increase the scope and the scale of the efforts, including:

- Incorporate information gathered in fusion centers into DHS' own information
- Integrate the fusion centers into exercises
- Provide more fusion center management assistance
- Provide robust training for fusion center personnel on-site
- Assign officers and intelligence analysts from DHS components
- Provide officers and analysts at all levels with continuing privacy and civil liberties training, and
- Prioritize support to border fusion centers.

We need to carry out all of these responsibilities.

As you are aware State and local fusion centers were the focus of a Congressional Research Service Report. While we agree with many of the recommendations detailed in the annex of the report, we find the main body to be in error in one simple premise made by the report, that fusion centers are neglecting their primary mission, that of counter-terrorism. We do not agree with that assessment, since the premise is false. The vast majority of centers stood up as "all crimes" centers or "all crimes, all threats, and all hazards" centers. They like DHS understand there are many criminal interdependencies relating to terrorism and also understand that threat mitigation, regardless of the source of threat requires a coordinated and competent analytical and information exchange to be successful. The counter-terrorism role remains important to them and continues to receive a great deal of attention in spite of the report's conclusion. In addition, DHS works closely with state and local communities, not only through law enforcement channels, but through mayors' and governors' offices. This enables the analysis we jointly provide to enable, not only law enforcement actions, but broader community policies and programs that allow us to tackle problems before they become criminal. For example, a radicalization threat study that focused on at-risk youth or insular immigrant populations might influence state and local officials to focus on outreach and social service solutions. We in DHS intelligence support the centers by looking intensely at terrorism, but we look at terrorism through the broader prism of threats to the homeland.

Fusion centers remain heavily scrutinized, The Government Accountability Office will soon be releasing their report on fusion centers and just this past week we received notice of a DHS Inspector General's investigation prompted by the House Homeland Security Committee Chairman which seeks to review the State and Local Fusion Center Program and is due out early next year. We welcome the scrutiny because we are comfortable in our approach and believe we have made major progress in just over a year in managing the program. We believe in our State and local government partner's ability to manage the information exchange in an environment they control and we know of no other effort that has captured this much momentum and success in such a short period of time. We are sensitive to the scrutiny of the many civil liberties organizations of our mutual information exchanges with our State and local partners. Our program office, which is smaller than you might imagine struggles mightily to address and respond to these concerns. I think however it important to emphasize that we have thus far only responded to the potential for abuses, we are not aware of any actual abuses occurring in our information exchanges, nor does evidence suggest that there are any. I applaud Congress on their efforts to assist our office as we move forward in this relationship.

#### **Final Thoughts**

I would like take a moment to share some highlights of our recent progress in the areas of outreach, focused requirements development, and enhanced internal coordination. As the fusion center concept evolves, it is becoming clear that there are other non-traditional partners who may have a legitimate need to participate, and we have begun discussions on how to incorporate their needs.

Just in the past several weeks, senior DHS intelligence representatives have engaged potentially vital new partners in our information-sharing efforts. New York City Fire Commissioner Nicholas Scoppetta and Mr. Allen keynoted the first national meeting of the Fire Service Intelligence Enterprise Conference. At this first-of-its-kind conference, the major city fire chiefs and our federal representatives explored ways in which the first responder community can become more integrated into our networks, and how we can produce information tailored to their needs. We brought their ideas back to Washington, and met with senior leadership of the Federal Emergency Management Agency, which oversees the U.S. Fire Administration and its many member organizations. This step reinforces DHS' position that many first responders are the first to identify threats in their regions and they too are a valuable and contributing member to the fusion process.

You may be aware that this year DHS, along with our federal partners sponsored the first ever National Fusion Center Conference in Destin, FL. I believe several staffers were in attendance and we were also fortunate to have the Secretary speak at this conference as well. The Destin conference had over 600 attendees, nearly 450 of which were State or local representatives. Next year's conference will be held in San Francisco and will focus on the inclusion of non-traditional partners in fusion centers to include Fire/EMS, public safety, natural resource managers, and public health to name a few. This conference is expected to host nearly one thousand guests this year and we expect the vast majority to be our State and local partners. I extend to you now, Madame Chairwoman, an invitation to meet with these fine partners in March next year, as I know this is your home State. Many of the Fire Chiefs I mentioned earlier will be in attendance. This signifies our intention to assist State and local governments in the continuing development of these centers.

In the same time period as the Fire Services Intelligence Enterprise meeting, I attended the DSAC Academy, sponsored by the FBI. The Domestic Security Advisory Council has been developed using the successful model of OSAC in the Department of State. Chief Intelligence Officer Allen has made a commitment for I&A to be full partners with the Bureau in this important initiative. This joint FBI/DHS Program is intended to provide the private sector in the United States with threat information that will inform their decisions on how to mitigate threats, and open a channel to DHS and the Bureau for intelligence from the private sector.

Finally, and perhaps as important as any of our initiatives, we are conducting a pilot program concentrating on five fusion centers in New York, California, Florida, Massachusetts, and Illinois. The pilot program is being driven by a small team of experienced security and intelligence personnel. The goal is to improve DHS's ability to meet the needs of fusion centers in three key areas: standing information needs, requests for information, and open source support. The team has visited the pilot sites, and engaged the centers' leadership and staff. Based on their feedback, we are working to adjust the way we receive and respond to fusion center strategic and tactical information needs, while ensuring the protection of our citizen's fundamental rights. We also will help fusion centers improve their ability to exploit open source information. In the coming months, DHS will pilot new procedures with the five



sites, continuously seeking their input along the way to ensure that their needs are being met effectively and efficiently. While the Department and its components have been delivering products to our partners for years, the fusion center pilot program gives us an opportunity to fine-tune these products based on the direct, continuous input of our state and local partners and increase the products' value. We will implement changes which emerge from the pilot with fusion centers across the country.

While it is barely a year old, the State and Local Fusion Center Program is making steady, solid progress toward accomplishing the critical national mission of creating an information sharing environment that works for all of us.

I'll be happy to take your questions.

Ms. HARMAN. Thank you.

Mr. Mines, please summarize your testimony in 5 minutes.

**STATEMENT OF MICHAEL MINES, DEPUTY ASSISTANT DIRECTOR, DIRECTORATE OF INTELLIGENCE, FEDERAL BUREAU OF INVESTIGATION**

Mr. MINES. Good morning, Chairman Harman and members of the subcommittee. I am pleased to be here with my colleagues to discuss with you our collaborative efforts in the support of fusion centers.

The FBI, along with DHS and DOJ, establish partnerships with fusion centers to provide, among other things, manpower and operational advice, with the goal of fashioning a nationwide network of fusion centers that would be the cornerstone for information sharing with state, tribal and local agencies in order to maximize the nation's ability to detect, prevent, investigate and respond to terrorist and criminal activity.

In furtherance of this goal, FBI Director Robert Mueller instructed each field division to participate in fusion centers across the country. As a result, the FBI has assigned over 200 agents and analysts in 36 fusion centers and plans to increase the level of personnel commitment in the near future.

Throughout its history, the FBI has relied on strong relationships with its partners in order to carry out its mission. These relationships have proved critical since the terrorist attacks of 9/11. Our participation in fusion centers continues this tradition of partnership.

We have made great strides with the fusion center initiative over the past year, but we realize that there is more work to be done. With our partners, we will continue to streamline the security clearance process, improve the facilitation of access to federal data systems, formulate and deliver training, and provide additional guidance.

The FBI is working to resolve this issue with DHS, DOJ and our state, local and tribal partners.

My full statement is submitted for the record. I appreciate the opportunity to be here today and I look forward to answering your questions.

[The statement of Mr. Mines follows:]

PREPARED STATEMENT OF MICHAEL C. MINES

Good morning, Chairman Harman, Ranking Member Reichert, and Members of the Subcommittee. I am pleased to be here today to demonstrate the Federal Bureau of Investigation's (FBI) commitment to the timely sharing of intelligence and information related to our national security.

As the Deputy Assistant Director of the Directorate of Intelligence, I want to share with you the central and critical mission of enhancing the FBI's ability to stay ahead of the threat by our collaborative efforts with our federal, state, local, and tribal partners. By these partners, I am referring to the network of fusion centers whose goal is to "maximize the ability to detect, prevent, investigate, and respond to criminal and terrorist activity."

Our participation in the fusion center network allows us to provide a national perspective on regional threats and trends, so we can better inform decision makers at all levels. I thank you for this opportunity to testify about the FBI's involvement with fusion centers.

#### **Fusion Centers**

The establishment of this general of fusion centers stemmed from The Intelligence Reform and Terrorism Prevention Act of 2004, which required the President to facilitate the sharing of terrorism and homeland security information by establishing an information-sharing environment (ISE) to link people, systems, and information among federal, state, local, and tribal partners and the private sector. The Department of Homeland Security, along with the Department of Justice, established partnerships with fusion centers to provide operational intelligence advice and management assistance and to facilitate close communication. The goal was for the federal government, through the ISE, to rely on a nationwide network of fusion centers as the cornerstone for information-sharing with state, tribal and local governments.

In September 2005, the FBI's fusion center initiative began when FBI Director Robert S. Mueller III instructed all Assistant Directors in Charge (ADICs) and Special Agents in Charge (SACs) to ensure coordination among the FBI and all statewide fusion centers and significant major regional fusion centers. These activities were reinforced in 2006 with the dissemination of policy and guidelines for FBI integration with statewide fusion centers and the Department of Homeland Security, to jointly codify expectations for our roles in these centers and to place a minimum of one Special Agent (SA) and one Intelligence Analyst (IA) in the lead fusion center in each state.

The FBI has always depended on strong partnerships with our state, local, and tribal counterparts. Our participation in the fusion center network continues this tradition of partnering. The FBI recognizes that fusion centers are fundamental in facilitating the sharing of homeland security and criminal-related information and intelligence and considers our participation in fusion centers an extension of our tradition of strong working relationships with our state, local, tribal, and private sector partners. The FBI has been an active participant in the information-sharing environment ISE Program Manager's development of Guideline 2 and is ensuring our partnerships with fusion centers are consistent with that guideline. The FBI is also an active partner in developing the implementation plan for a national level coordination group to facilitate timely information-sharing.

#### **Fusion Centers and Information-Sharing**

The FBI participates in One DOJ, the Information-Sharing Policy Coordination Committee, the Fusion Center Coordination Group, and the Global Justice Information Sharing Initiative Advisory Committee to define further, the relationship between the fusion centers and the FBI and the Department of Justice and the Department of Homeland Security. Fusion centers are fundamental in facilitating the sharing of homeland security and law enforcement related information among agencies in specific geographic areas. To that end, the FBI is committed to participating in all leading statewide fusion centers and select regional fusion centers. Further, our participation in these fusion centers has expanded and enhanced our efforts to share raw intelligence reporting and analysis with state, local, and tribal entities. Also, our efforts and ability to produce bulletins jointly with DHS, for the consumption of our law enforcement partners has been enhanced dramatically through our participation in the fusion centers.

#### **FBI Participation in Fusion Centers**

Currently, the FBI participates in 36 fusion centers, which is realized through our 56 Field Intelligence Groups (FIGs), that serve as the primary link between the FBI and the fusion center network. To date, a total of 256 FIG personnel are assigned to the 36 fusion centers throughout the United States. Of these, 68 are Special Agents, 123 are Intelligence Analysts, and 65 are personnel assigned to other work roles (e.g., Language Analysts, Financial Analysts, and Investigative Support Specialists).

We have established connectivity to the FBI's secure level computer system in 25 of the 36 supported fusion centers. In addition, the FBI has obtained security clearances for 520 state and local personnel assigned to fusion centers.

Presently, 16 of the 36 fusion centers in which the FBI is involved are co-located with the respective division's FIG, leading to even stronger partnerships. Each FIG provides the intelligence link to the Joint Terrorism Task Forces (JTTFs) as well as fusion centers, FBIHQ, and the U.S. Intelligence Community at large.

#### **How does the FBI decide which center to support?**

Through our participation in One DOJ, the Information-Sharing Policy Coordination Committee, and the Fusion Center Coordination Group, we work to clearly define the relationship between the fusion centers, the FBI, other Justice Department components, and the Department of Homeland Security. The FBI's Directorate of Intelligence coordinates FBI participation in fusion centers with other Justice Department components, the Department of Homeland Security, and our other federal partners.

The FBI has adopted the Global Justice Fusion Center Guidelines as a tool to be used by field offices when assessing the fusion center environment in their territory and when prioritizing participation in multiple fusion centers.

All FBI field offices must assess the information-sharing environment within their territory and assign FBI FIG IAs and SAs to the leading fusion center in their area. FBI participation in the fusion center network is in the form of personnel and connectivity rather than direct funding.

The field office Special Agent in Charge (SAC) assesses the maturity of the fusion center by asking the following questions:

1. Does it have a facility and connectivity to local systems?
2. Will multiple agencies commit full-time personnel?
3. Is the fusion center attempting to meet the Global Justice Guidelines?
4. Does the fusion center cover a significant region or metropolitan area?

If the fusion center meets the aforementioned criteria, then the FBI participation is mandatory. If the fusion centers are not mature enough to warrant full time FBI personnel assignment, the SAC is directed to establish an effective and robust connectivity allowing for effective two way exchange of intelligence.

Given that fusion centers are created and managed by state and local entities, the FBI and our federal partners cannot mandate the centers to adhere to specific guidelines. However, we continue to work with the Department of Justice, Department of Homeland Security and Department of State to develop the suggested guidance for these centers.

The FBI subscribes to the concept of one federal voice when addressing issues relevant to the fusion center network, and we are committed to coordinating this outreach with our federal partners.

#### **Fusion centers and JTTFs**

FBI personnel selected for an assignment to a fusion center are selected from the FIG of the local FBI field office. As such, their participation serves as an extension of the FIG and a conduit for information-sharing and collaboration between the FBI and the fusion center. They accomplish their work as part of the fusion center team, ensuring that the local FIG is responsive to the needs of the fusion center, while looking for opportunities to leverage fusion center and FIG resources as a "force multiplier." FBI personnel assigned to fusion centers are tasked with four basic missions:

1. Establish a gateway/connectivity between the FBI and the federal, state, local and tribal partners across all investigative programs.
2. Provide an effective two way flow of information through the intelligence cycle (e.g., requirements, taskings, intelligence and feedback) between the fusion center and the FBI.
3. Participate as an investigative/analytic partner in uncovering, understanding, reporting and responding to threats.
4. Ensure the timely two way flow of terrorism-related threat information between the fusion center and the local JTTF and FIG.

All terrorism information and intelligence generated from the fusion center/FIG relationship will continue to be directed to the JTTFs. The JTTFs remain the recognized and designated environment for which federal to local operational partnerships take place to detect, investigate, and disrupt terrorist threats or pursue perpetrators.

There are 101 JTTF locations throughout the United States, involving the participation of 5,535 investigative personnel from more than 700 federal, state, and local law enforcement agencies.

#### **Challenges Ahead**

The FBI recognizes how essential fusion centers are, and I will address some of the challenges that we face today. In our efforts to establish and operate these fu-

sion centers, we encountered some limitations: accessing information from federal systems or networks, obtaining security clearances, funding, and sustainability, and developing sufficient guidance and training. We are working with federal agencies to review these information systems and discover ways to streamline system access. We have set goals to reduce the time to obtain a security clearance. And lastly, we are working with the Department of Homeland Security to establish guidelines and training for fusion center personnel.

The FBI is in the process of working through these challenges and harmonizing with the Department of Homeland Security and our state, local, and tribal partners to resolve these issues.

#### **FBI Cooperation with Federal Partners**

The FBI participated in establishing the Global Justice Fusion Center Guidelines published in 2005, and we continue to participate in the National Fusion Center Coordination Group, which I co-chair with DHS. The FBI is committed to sharing information with all intelligence initiatives, including the state and local fusion centers. This will be accomplished through participation in working groups, committees, and ongoing liaison.

Our participation in the fusion centers has enhanced our ability to provide intelligence and direction to federal, state, local, and tribal partners on the tactics and vulnerabilities of international and domestic terrorist groups, as well as potential indicators of terrorist activity. Insofar as it is important that the federal government speaks with one voice on terrorism, 80 percent of the assessments and bulletins issued in FY2007 were produced jointly with the DHS.

The FBI continues to partner with DHS to further clarify our respective roles and avoid unnecessary duplication. We look forward to additional coordination with the Department of Justice, the Department of Homeland Security, and other federal partners in the fusion center initiative. Meanwhile, we are pleased that state and local fusion center personnel will be participating with us and our federal partners in the Interagency Threat Assessment and Coordination Group (ITACG). Just as the fusion centers strive to attain a shared view of the threats in their specific regions, the ITACG will facilitate the production of "federally-coordinated" terrorism information products.

Our participation with these fusion centers will strengthen the FBI's relationships with its law enforcement and U.S. Intelligence Community partners, allow for the exploitation of robust intelligence streams, and expand the FBI's intelligence capabilities.

I appreciate the opportunity to be here today, and I would be happy to answer any of your questions.

Ms. HARMAN. Thank you very much and thank you for being so efficient.

The chair now recognizes Mr. Beasley for 5 minutes.

#### **STATEMENT OF NORMAN BEASLEY, COORDINATOR FOR COUNTER TERRORISM, MARICOPA COUNTY SHERIFF'S OFFICE**

Mr. BEASLEY. Good morning, Madam Chairwoman, Representative Harman, and the distinguished members of the subcommittee. Again, I am Norm Beasley, with the Maricopa County Sheriff's Office, and it is an honor to be here today representing both the sheriff's office, Sheriff Joe Arpaio, the state of Arizona and the men and women of the Arizona counterterrorist information center.

And at this point, I would be remiss in not publicly commenting on the support that we have received from both the FBI and the Department of Homeland Security. We could have not have done and been as successful as we have been in Arizona without their support.

The critical link in the overall intelligence process are the agencies that are closest to their communities—that is us, state and local. The challenge really faced by the national intelligence community is how to establish real-time linkages between those jurisdictions in order that they can provide real-time intelligence to

them, and, I think equally important, receive real-time intelligence from those state and local agencies.

I now wish to comment on several issues that were raised by the CRS report. The first one is a national fusion center strategy. State and local fusion centers were developed to meet local operational needs. There are no two fusion centers alike nor should they be.

However, there can and should be some consistency both in information sharing protocols and in baseline capabilities. To this end, the federal government should develop and articulate a national fusion center strategy that clearly defines the role of that state and local fusion center and within the national intelligence community architecture.

**Technical assistance:** This is a critical component of both the DOJ and DHS program that supports state and local fusion centers and is already addressing a number of the issues raised by the CRS report.

This program provides onsite assistance to state and local fusion centers in developing their programs. Supported by both the FBI and DHS, the TA program can and does ensure consistency between state and local fusion centers in areas where there is common ground by providing early assistance in the development and implementation process.

It also has proved to be a vehicle for creating a strong partnership among jurisdictions' multidisciplinary stakeholders.

**Training:** Training that is specific to state and local fusion centers is an essential element of the overall national program. While many state and local fusion centers have a well-established training program that covers the privacy, security, intelligence operations, what is really needed is an expanded capability that is specific to those fusion centers.

Examples would be analytical intelligence fusion center leadership, sustaining that intelligence function, a terrorism liaison officer program, community outreach and how do these fusion centers interact with the national intelligence community.

**Funding:** Probably one of the primary concerns of the fusion center community. How do we receive funds to start up a fusion center? How do we receive money to sustain it?

Realizing that the federal grant moneys are not a lifetime grant, and there has to be a partnership between not only the federal government, but the state and local jurisdictions that, at some point in time, those fusion centers will become the responsibility of that state and local jurisdiction.

Ideally, under the grant process, there needs to be a specific funding stream for fusion centers under prevention, so there is some very clear guidance to those state and local fusion centers as to where their money is going to come from.

Information sharing is the core issue facing us today. Our homeland security efforts must be information-driven. Everything we do has got to be based on real-time, solid intelligence.

Prevention as the primary concern in our ability to collect, analyze and, most importantly, share information is paramount in this process. Currently, the federal government has taken a number of steps to enhance the information sharing process.

While it is unrealistic to have one system that fits all, what we would like to see is one system that does provide that connectivity between the state and local fusion centers and the national intelligence community. And looking at the national terrorist screening center, that may be the vehicle that accomplishes this.

In closing, again, I want to thank you for the opportunity. I have included a case study done by DHS on the Arizona counterterrorist information center that gives the committee an overview of a mature center. And I am ready to answer any questions.

[The statement of Mr. Beasley follows:]

PREPARED STATEMENT OF NORMAN BEASLEY

Good morning Madam Chairwoman Representative Harman and the other distinguished members of this Subcommittee. I am Norman Beasley, Counter-Terrorist Coordinator for the Maricopa County (Arizona) Sheriff's Office. It is an honor to be here today representing the Sheriff's Office and Sheriff Joe Arpaio as well as the State of Arizona and the men and women of the Arizona Counter Terrorist Information Center.

I am a 40 year law enforcement veteran with over 30 years of experience in intelligence and counter-terrorism operations. I served with the Arizona Department of Public Safety retiring with 37 years of service. I commanded the Intelligence Bureau and the operations of the Arizona Counter Terrorism Information Center. This fusion center is viewed as one of the model centers in the Country. In addition to my Sheriff Office assignments I provide support to the United States Department of Justice and United States Department of Homeland Security Fusion Center Technical Assistance Programs. These programs provide on-site assistance to state and local fusion centers throughout the country in developing and implementing operational and administrative capabilities. In this capacity I have been to over 20 state and local fusion centers and have had contact with virtually all of the nation's state and local fusion centers.

My testimony here today centers on the Congressional Research Report, "Fusion Centers: Issues and Options for Congress".

The tragic events of September 11th and the subsequent report by the National Commission on Terrorist Attacks Upon the United States (911 Commission Report) focused on the critical need for information sharing not only at the Federal level, but also at the state and local levels. The critical link in the overall National intelligence process is the agencies that are closest to their communities. . . . The challenge faced by the National Intelligence Community is how to establish real time linkages between state and local agencies that allows both receiving information from and providing information to their fusion centers.

State and local fusion centers are in the best position to accomplish this mission. Established to function as the central point of contact within their jurisdictions, they coordinate the collection, analysis and dissemination of information/ intelligence and function as the controlling hub that links local, state, regional and national intelligence interests.

Their ultimate goal is to support their consumers with beneficial information. But, the consumers also have a critical role in the production of information and ultimately intelligence. The fusion centers are in the pivotal position to tap into these vital resources and provide collection guidance to these agencies. They also provide investigative, analytical and research resources that in many cases are not available in smaller jurisdictions.

Many of the initial State and local fusion centers were not a product of Federal direction or suggestion. They were envisioned by forward thinking state and local officials who saw the critical need to establish an information sharing environment within their jurisdictions.

As the commander of one of the Nation's first fusion centers I have seen this program grow to over to now over Forty fusion centers nationwide. This growth has enhanced the overall information sharing between agencies at the state, local and federal level, but has also created numerous challenges. Having worked with over 20 of these fusion centers as part of the USDHS/USDOJ technical assistance program, I have seen firsthand the potential of these centers in enhancing the security of their jurisdictions and the country.

I have had the opportunity to participate in the Congressional Research Service Report "Fusion Centers: Issues and Options for Congress", both as a provider of information and as a reviewer of the draft product.

I found that the report has captured the essential issues facing fusion centers nationwide and their relationship with the National Intelligence Community. It can and should provide a solid road map not only for the Federal government but also, state and local governments, to further enhance the fusion center program thereby strengthening the country's overall home security efforts.

I now wish to comment specifically on several of issues raised by the Report.

### **1. National Fusion Center Strategy**

The Information Sharing Environment Implementation Plan has recognized the value of State and local fusion centers. State and local fusion centers have been developed to meet local operational needs. No two fusion centers are exactly alike, nor should they be. However, there can and should be some consistency in information sharing protocols and baseline capabilities. To this end the Federal government should develop and articulate a national fusion center strategy that clearly defines the role of state and local fusion centers in the National Intelligence Community Architecture. This includes tasking and providing information collection guidance to state and local fusion centers that compliments state, local and federal efforts. Conversely state and local fusion centers must make the National Intelligence Community aware of their specific needs and requirements.

In addition, USDHS/USDOJ should move forward with establishing the baseline capabilities that state/local fusion centers can follow in developing and carrying out their programs. These baseline capabilities should link with the established "Fusion Center Guidelines". In developing these baseline capabilities, USDHS/USDOJ must realize that no two state/local centers are exactly alike. These centers were developed to address local issues and the challenge to the Federal Government is to integrate their operations into the larger National Intelligence Community.

### **2. Technical Assistance**

This is a critical component of the USDHS/USDOJ program to support state and local fusion centers and is addressing a number of the issues raised by the CRS Report. It received favorable comments from the CRS Report. This program provides on-site assistance to state/local fusion centers in developing their programs. It supplies experienced subject matter experts with fusion center experience to work with key state/local fusion center staff, executives and stakeholders. Some of the assistance includes: developing a center concept of operations plan, business planning including sustained funding issues, state/local legal authority, privacy policy, building trusted partnerships, center outreach programs including terrorism liaison officers and community liaison agents, training and technology applications.

The on-site technical assistance deliveries are supported by representatives from USDHS/FEMA Capabilities Division, Intelligence and Analysis and the Federal Bureau of Investigation.

Respondents to the CRS Report that had used the technical assistance services view the experience as favorable as a first step. Follow up technical assistance in the form of a mentorship program was seen as adding additional value to the program. Based on my experience working with these centers, I agree that the two phase approach to technical assistance will and on an informal basis already is improving fusion center operations.

The technical assistance program can and does ensure consistency between state/local fusion centers in areas where there is common ground, by providing early assistance in the development and implementation process. It also proved to be a vehicle for creating strong partnerships among the jurisdictions multidisciplinary stakeholders.

### **3. Training**

Training that is specific to state/local fusion center operations is an essential element of the overall national program. The CRS Report addresses training issues involving; civil liability, 28 CFR Part 23, common lexicon/definitions, handling classified information, community outreach and mentorship. While these are valid considerations, fusion center specific training needs to be expanded. Many state and local fusion centers already have a baseline training requirement for all of its personnel that covers 28 CFR Part 23, civil liberties and privacy and handling classified information.

Expanded training considerations should center on specific critical functions of state/local fusion centers. They include; advanced analytical, intelligence/fusion center commander/leadership, sustaining the intelligence function, terrorism liaison officer, community outreach and interacting with the National Intelligence Community.

The USDHS/FEMA Capabilities Division has already taken steps to develop many of the above programs. Both USDHS & USDOJ have created web portals that pro-

vide for best practices and related information for the operation of fusion centers and intelligence operations.

USDHS/USDOJ sponsored National and regional fusion center conferences have been held bringing together senior fusion center leadership and their Federal partners.

#### **4. Funding**

The issue of funding is a priority concern for the majority of the state/local fusion center community. Most state/local jurisdictions rely on Federal funds in varying degrees to support their fusion center operations. Without Federal funding support many centers would be in danger of ceasing or significantly reducing operations.

Currently fusion centers are funded by the USDHS Homeland Security process. While Prevention is a critical funding component the overall process at the state and local level is complete in application. Fusion center funding requests are evaluated with other homeland security projects and may or may not receive the funding necessary because of limited funds and competing priorities.

Ideally, under the USDHS grant direction consideration should be given for a separate category for fusion center funding under prevention. Major funding categories are initial start up and sustainment, with the most concern being sustainment.

This issue is a joint partnership between the Federal Government and state/local jurisdictions and both must take steps to resolve this issue.

The Federal government in assessing the allocation of funds for state/local fusion centers could apply the baseline capability standards that are currently under development. Centers that meet or are making progress on implementing them would receive funding for start up costs.

Sustainment funding presents additional challenges. Federal grant funding is not intended to provide long term sustainment. As such state/local jurisdictions need support for a period of time in order for the development and submission of their budget proposals to their governing bodies. Ultimately state and local jurisdictions should be responsible for continued funding of their fusion center operations.

As outlined in the Information Sharing Environment Implementation Plan state/local centers will become a part of the National Intelligence Program. As such if these centers provide direct support to ongoing Federal programs that require funding and center resource allocation, then the Federal government should provide continued funding support. An example of this effort is the Maricopa County Sheriff's Office Facial Recognition Program. Working in conjunction with the U.S. Department of Justice the Facial Recognition Program has been provided with access to the Federal Joint Automated Booking System and all of the Federal arrestee's photographs. In addition the MCSO is partnering with the Federal Bureau of Investigation to support their violent gang and criminal investigations through the use of the Facial Recognition Program. The MCSO is also working with agencies and fusion centers nationwide to establish a facial recognition network that will support criminal investigations and the recovery of missing and abducted children.

#### **5. Information Sharing**

Information sharing is the core issue facing us today Homeland security efforts must be information driven. Prevention should be the primary concern and the ability to collect, analyze and most importantly share information is paramount in this process.

One of the chief complaints of state and local officials is the lack of actionable information from the National Intelligence Community. This is exactly why state/local fusion centers were implemented.

Currently, the Federal government has taken steps to improve and enhance information sharing at all levels of government. While many of these efforts have improved the process, what has resulted is a wide variety of information sharing systems that in many cases republish the same information. Having to view multiple systems is labor intensive, time consuming and after a period of time loses its value. While it is unrealistic to have only one system, consideration should be given to having one system that provides network connectivity to the National Intelligence Community and the state/local fusion center network. There needs to be a clear linkage from the state/local fusion centers and the NIC. Having a clear understanding and framework is essential in sharing critical homeland security information. The National Counter Terrorist Screening Center, already established may be the vehicle to accomplish this.

One Federal system that has demonstrated value and one that I personally use daily is USDHS-Intel. This system has been deployed to a number of state/local fusion centers. Providing Law Enforcement Sensitive, FOUO and SBU information it targets the working element of fusion centers. Participants include representatives of the Federal government. HSIN-Intel allows for requests for information and has



a weekly conference call to follow up on issues. Other systems that have proved valuable are the FBI Law Enforcement on Line and the Regional Information Sharing System.

#### **6. Additional Comments**

While the Report provides Congress with options, this is a partnership between the state, local and Federal governments and as such the states have an equal role to play.

In considering the development and implementation of a state and local fusion centers, state and local political and executive level leadership need to consider the following:

- There must be a clear vision of what the role and responsibility of the fusion center will be. State and local agencies must look at their jurisdictions and develop a fusion center based on state and local needs. This vision must address the benefits to the stakeholders by their participation.

- There must be a well established partnership between all involved agencies both public and private. This is critical for the overall success. Stakeholders must support the fusion center as the central point of intelligence for the state. The use of systems in the sharing of information is important, but the critical component is people. There must be personal contact in order to build the trust necessary for the sharing of information to be successful.

- There has to be sufficient resources devoted to the project and these resources must have the necessary expertise to carry out the mission. Stakeholders will be looking for support. Failure to provide sufficient resources to carry out the fusion center mission will adversely affect the relationships and will negatively impact the ability to process and share information.

- There has to be a solid commitment from all agencies involved. This includes both center participating and consumer agencies. The Federal Bureau of Investigation and the local Joint Terrorist Task Force must be a key component of the state fusion center. The level of commitment of the FBI and other participating agencies should be determined by local needs, but the assignment of resources to the state center should reflect a strong commitment by participating agencies.

- There has to be support from the highest levels of state and local government. The Governor, city and county executives, the state and local office of homeland security play a vital role in this area. This support extends to the state legislature and elected officials from local governments.

- In response to the ISE Implementation Plan the Governor of each state should designate the lead fusion center within their state.

- There has to be a well defined funding strategy that involves both federal and state appropriated funds. While Federal Homeland Security Grants can provide initial funding a strategy must be developed that looks at sustained funding options.

- There must be a display of visible leadership in the development, implementation and operational stages. Intelligence is a personality driven process. It is built on trust and once trust is established the exchange of information between agencies becomes institutionalized.

The key to homeland security is prevention and intelligence is the cornerstone of that effort. Everything we do must be information driven. The better the information the better we will be able to prevent a terrorist act. We have the opportunity to build a lasting intelligence effort. But it will take a commitment from local, state and federal levels to make it work. No agency can or should do this alone. It is a partnership that will continue to grow with the ultimate goal of providing the safest and securest environment for our citizens.

The Arizona Counter Terrorist Information Center is an example of the application of the above considerations. ACTIC has been identified as one of two best practices in homeland security by the National Governors Association and one of five best practices in homeland security by the Council of State Governments.

I have included an ACTIC case study prepared by the United States Department of Homeland Security to supplement my testimony today.

[Information follows:]

**Attachment:****Fusion Center Case Study**  
Arizona Counter Terrorism Information Center**Issue**

Arizona developed and implemented the Arizona Counter Terrorism Information Center (ACTIC) as a cross-jurisdictional partnership managed by the Arizona Department of Public Safety (DPS) and the Federal Bureau of Investigation (FBI). The Center integrates Federal, State, and local law enforcement, as well as first responders, emergency management and, when appropriate, the private sector. A 24/7 Watch Center is the central location for all information coming in and out of the ACTIC. It functions as a multi-agency all-crimes effort staffed by members of DPS and other Federal, State, and local agencies. The center is co-located with the FBI Joint Terrorist Task Force (JTTF).

**History and Evolution**

Prior to the terrorist attacks of September 11, 2001, the State of Arizona relied on a pre-existing emergency response infrastructure that was created in the late 1990s: In 1997 the Division of Emergency Management (DEMA) and DPS established the Domestic Preparedness Task Force, which consisted of representatives from more than 40 public and private entities, and that met regularly to review response and recovery plans. The group originally included representatives from the Phoenix and Tucson metropolitan areas, but over the years expanded to include agencies throughout the State.

At about the same time, the State established an Emergency Operations Center (EOC) within DEMA that could be fully activated within one hour. The EOC brought together the relevant public and private entities to address emergency situations. DEMA's Emergency Response and Recovery Plan, developed in 1998, details the specific responsibilities of each agency.

Post September 11, 2001, DPS increased the capabilities of the Domestic Preparedness Operations Center, including the creation of a secure Web site to share information with local, county and other authorities; dedicated additional intelligence analysts and investigators to collect and analyze terrorism-related information; appointed additional personnel to the JTTF; and increased security at critical infrastructure and key resource sites such as the Hoover Dam and the Palo Verde nuclear facility. This was to become the foundation of the ACTIC.

In 2002, the incoming Governor reviewed the State's homeland security efforts and made several significant changes, including the appointment of a State Homeland Security Director, establishment of a homeland security plan, updating the State Emergency Response and Recovery Plan, and development of formal protocols to facilitate multi-agency coordination. The Domestic Preparedness Task Force was disbanded and the State established a regional approach by dividing the State into five regions that encompass all 15 counties and 22 tribal nations.

To address prevention activities, the State established a statewide integrated justice system to link the information systems used by Federal, State, local, and tribal entities to support the identification of emerging terrorism-related trends. It created a 24/7 intelligence/information analysis center to serve as a central hub to facilitate the collection, analysis, and dissemination of crime and terrorism-related information. This system and the Domestic Preparedness Operations Center, which was only staffed in the event of an incident, became the core of the ACTIC.

**Mission Statement**

The mission of the ACTIC is:

*"To protect the citizens and critical infrastructures of Arizona by enhancing intelligence and domestic preparedness operations for all local, State and Federal law enforcement agencies."*

The Mission will be carried out with the understanding that the key to effectiveness is the development and sharing of information between participants to the fullest extent as is permitted by law or agency policy.

**Operational Area**

The ACTIC serves the entire State of Arizona, which is divided into five Homeland Security Regions that span the State's 15 counties and 22 tribal nations. The two major metropolitan areas are Phoenix and Tucson. The Phoenix metropolitan

area has a population of approximately 3.25 million—the fourteenth largest in the United States. The Tucson metropolitan area has a population of approximately 843,000. The State is considered one of the Nation's leading technology centers; it is home to more than 3,800 high-tech (aerospace, information technology, biosciences, semi-conductor) firms that employ more than 1.9 million people. It is also home to the Palo Verde Nuclear Generating Station, one of the largest producers of nuclear energy in the world, and the Hoover Dam, which is located on the Arizona/Nevada border.

There are more than 6,100 miles of highway, a portion of which includes the CANAMEX Corridor, a North-South trade corridor that facilitates the flow of goods between Mexico, the United States, and Canada.

The State also shares a 377-mile border with Mexico, which presents a unique challenge from the perspective of homeland security. Within the State, there are eight ports of entry for commercial vehicles, personal vehicles, and pedestrian traffic, as well as hundreds of miles of unsecured territory. While the southwest border represents a potential gateway for terrorists and weapons of mass destruction to enter the U.S., it is also an important corridor for the movement of goods and people, both of which are part of the economic lifeblood of the communities located there.

### **Organizational Model**

ACTIC is a multi-agency operation staffed by 240 Federal, State, and local officers, analysts, and support personnel from 41 different agencies. It is co-located with the JTTF, and functions under the all-crimes concept. Executive direction of its operations comes from the ACTIC Management Board, which consists of command representatives of participating agencies. The board sets investigative and intelligence priorities, which include:

- Terrorism-related crimes
- Critical infrastructure
- Threats to government and law enforcement agencies
- Transnational and traditional organized crime
- Threats to special events
- Identity theft
- Document fraud
- Narco-terrorism
- Airport-related incidents
- Major arsons
- Hazardous materials
- WMD-related incidents
- Explosive-related incidents
- International incidents with local impact
- Border-related crimes.

ACTIC personnel conduct intelligence and criminal investigations<sup>1</sup> and respond to CBRNE incidents. This concept allows ACTIC to be a conduit for information and enables its staff to apply that information to ongoing investigations.

#### *Primary Responsibilities*

The ACTIC is responsible for:

- Providing tactical and strategic intelligence collection, analysis and dissemination support to Federal, State, and local law enforcement agencies.
- Maintaining and disseminating an ongoing threat analysis.
- Providing informational support to the governor and other governmental leaders.
- Maintaining the Automated Trusted Information Exchange (ATIX), secure Web site portal for the dissemination and exchange of information to law enforcement and public/private stakeholder agencies.
- Functioning as the State's central point of dissemination for Homeland Security Threat Level Conditions and other information generated by DHS, FBI, and other Federal, State, and local agencies.
- Maintaining a liaison program with State executive agencies and the private sector.
- Providing training on intelligence and the role of field officers and citizens in preventing terrorist attacks.

<sup>1</sup>ACTIC personnel generally do not investigate drug crimes. These are handled by the two HIDTA Intelligence Support Centers in Arizona. The HIDTA intelligence operation, while not housed at ACTIC, is still commanded by the DPS Intelligence/ACTIC Bureau commander.

- Maintaining databases to support ongoing investigations, and incorporating existing database links to other agencies.
- Maintaining a 24/7 tip/lead number. .
- Maintaining a 24/7 research capability. .
- Acting as a central point of contact for coordinating the response to suspected biological incidents, including the deployment of DPS and other State agencies.
- Maintaining direct liaison with the FBI JTTF, U.S. Attorney's Office Anti-Terrorism Advisory Council, and other Federal, State, local and tribal law enforcement agencies.

*All-Crimes Analysis Focus: Strategic and Tactical*

ACTIC is unique in that it does both criminal and intelligence investigations. A key component is its analytical and research staff, which includes both tactical and strategic analytical components. Tactical analysts are assigned to individual intelligence and investigative squads to provide case-specific support. Strategic analysts work at the bureau level, looking at the global picture and monitoring groups that operate internationally.

Both tactical and strategic analysts are familiar with the center's ongoing investigations and thus interact daily with one another. Co-locating the facility means this same dynamic holds true with ACTIC staff, JTTF members, and the FBI's Field Intelligence Group. The center also holds a semi-monthly briefing facilitated by supervisory personnel and attended by ACTIC and FBI personnel.

ACTIC staff fuses all available information and intelligence to create actionable or strategic products. Leads that do not fall under one of the ACTIC's priorities are forwarded to the appropriate investigative agency or component. Analysts maintain contact with the receiving agency in order to provide follow-up support. ACTIC's squads also work collaboratively with their "sister" JTTF squads, which enables them to pass cases that, for example, originated at the local level but would be better served through the JTTF and vice versa.

*Product Dissemination*

Dissemination of intelligence products is accomplished primarily through e-mail. This includes a bi-weekly, two-page intelligence briefing that covers significant statewide or international events and their potential impact on the area. ACTIC also sends out alerts, warnings, and general information bulletins.

ACTIC added a proviso to its dissemination strategy, which requires recipients to agree to its "ACTIC Information, Classification, Access, Dissemination, Storage and Destruction Policy." The policy outlines the various classifications of information, and governs how the information is to be handled and disseminated to other organizations, agencies, and entities. ACTIC is also posting many of its documents on secure Web sites. It maintains a Special Interest Group (SIG) on the FBI's Law Enforcement Online (LEO). All law-enforcement sensitive documents are posted and archived on its LEOSIG site and on DHS's Homeland Security Information Network (HSIN).

The goal of ACTIC's evolving dissemination strategy includes posting documents on a secure Web-site to reduce the use of e-mail as a communication tool. ACTIC's third-party dissemination policy has reduced its recipient list from 1,000 to about 400, all of whom agree to adhere to the policy. ACTIC uses its public Web site to communicate with citizens and non-law enforcement agencies.

*Liaison and Outreach: Terrorism Liaison Officers*

The center has a robust Terrorism Liaison Officer (TLO) Unit. A TLO has been identified in all 151 of the State's law enforcement agencies to act as a link between ACTIC and their agency. This program has been expanded to the fire service and to certain community and private sector organizations. The TLO Unit at ACTIC is staffed by both detectives and fire captains who are responsible for coordinating the program statewide. TLOs respond to major incidents throughout the State, which provides a "reach back" link to the ACTIC.

*Critical Infrastructure*

ACTIC is also responsible for establishing a system to identify the State's critical infrastructure and for conducting threat and vulnerability assessments. The WMD/Infrastructure and Threat Vulnerability Assessment Unit and the TLO Unit conduct these assessments. These multi-agency units are staffed by personnel with expertise in infrastructure and vulnerability assessments, as well as response to WMD events.

Further expansions are planned for the non-law enforcement public and private stakeholders. For example, ACTIC has partnered with the Rocky Mountain Information Network, a RISS project, to deploy its Automated Trusted Information Exchange (ATIX) program. This will provide a participant Web site, secure e-mail, specific community groups for the exchange of information between like disciplines, and

a method of providing them with real-time information that also allows them to send information back to ACTIC.

#### **Budget**

The cost of developing ACTIC was about \$3.5 million, which was covered by grant funds from the State. The FBI provided \$500,000 to pay a portion the building costs, and also agreed to pay a portion of the lease cost. Total initial start-up costs were about \$5.8 million, which included two years rent on its facility.

#### **Authority and Agreements**

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##### *Authority*

The Phoenix Metropolitan Medical Response System (MMRS) was established in 1997 to provide an operational framework that would govern the use of personnel and equipment in situations that require a multi-agency or multijurisdictional response to events involving weapons of mass destruction.

In 2002, in an effort to improve the coordination between all levels of government and the private sector, Arizona appointed a Homeland Security Director to advise the governor and oversee the State's homeland security efforts. In 2006, the State legislature created a separate Department of Homeland Security and a Homeland Security Council charged with oversight of the State's efforts, with setting homeland security policy, and providing input to the governor on homeland security strategy.

The ACTIC Management Board, comprised of representatives from member agencies, oversees ACTIC activities and meets bi-monthly.

##### *Agreements*

All of the agencies that have assigned people to the ACTIC have signed Intergovernmental Agreements/Memorandums of Understanding that outline their roles and responsibilities, as well as the role and responsibilities of DPS. The agreement mandates a time commitment by the agency, requiring that personnel assigned there stay at least three years. This ensures consistency in long-term investigations, as well as a return on the financial investment in training personnel. Minimal turnover in personnel also reduces the number of security clearance requests.

#### **Relationships with Other Information Analysis Centers and Groups**

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##### *Regional Advisory Councils*

Homeland Security Regions are defined in Arizona by five geographic areas that span the State's 15 counties and 22 tribal nations. Each region has a Regional Advisory Council (RAC) that works with incorporated cities, towns, municipalities, unincorporated areas, and tribal nations. Representatives for each council, appointed by the governor, include those from the area fire service, law enforcement, tribal, emergency management, local officials, DPS, and a public health representative.

The RACs develop, implement and maintain regional homeland security strategies. They also assist in statewide risk assessment, collaborate with other RACs and organizations to ensure successful integration of homeland security programs and initiatives, and allocate State homeland security grant funds. The ACTIC regularly supplies information to each RAC and a representative of ACTIC sits on each council as a non-voting advisory member. This ensures statewide coordination.

One of the State's most critical issues is that border cities have traditionally provided emergency response for events that occur at the border. These cities have maintained close working relationships with their sister cities in Mexico and over the past years, they have signed agreements that govern how they work together during HazMat and other critical incidents. Thus, while these cities and counties have a "first responder" role, they have minimal involvement in Federal border security planning activities. This changed in 2003, when the U.S. Mexico Border Health Commission established the Terrorism and Public Health Emergency Preparedness Coordination Team, which provided an opportunity to coordinate homeland security-related planning efforts among Federal, State, local, tribal, and Mexican officials.

Also in 2003, the Arizona-Mexico Commission Board of Directors approved a proposal to appoint a Border Coordination Officer to work with the mayors of border communities, and with State and Federal officials to determine the priority issues along the border. These entities are customers of the ACTIC, which provides information, support and threat assessments, as needed.

ACTIC works closely with the two High Intensity Drug Trafficking Area's (HIDTA) Intelligence Support Centers in the State. ACTIC assists with border initiatives through its all-crimes approach, and draws from HIDTA information relevant to its own investigations.

Although immigration law violations are outside the purview of ACTIC's investigations, there are 12 DHS Immigration and Customs Enforcement (ICE) agents housed at the center as well as a number of DHS Customs and Border Protection (CBP) agents. ACTIC works with these entities to prevent terrorist smuggling across the U.S.-Mexico border.

None of the State's Indian tribes have personnel assigned to ACTIC, but there are several nations that have designated TLOs. ACTIC personnel coordinate closely with these tribal TLOs. There are mutual aid agreements in place with the tribes, which is particularly important since any type of terrorist act on Indian land would fall under Federal jurisdiction. To facilitate investigations, some ACTIC personnel are commissioned by the Bureau of Indian Affairs or tribal police to carry out law enforcement duties on tribal land.

### **Smart Practices and Special Projects**

#### *Terrorism Liaison Officer and Community Liaison Programs*

TLOs are an integral component to the center's work and are important contributors of information coming from the street level. They are specifically trained for ACTIC operations and are required to respond to major incidents in order to act as a link between the incident commander and ACTIC. At the scene, they are the intelligence cell for the on-site Incident Command System. When carrying out their regular duties, they act as intelligence officer for their particular agency.

There are two levels of TLO: Level A TLOs respond to incidents after undergoing at least 40 hours of training. They operate under an Intergovernmental Agreement between their agency and the ACTIC, and are obligated to devote at least 40 hours per month to ACTIC. When they are not at an incident, they are gathering information relevant to ACTIC's investigative priorities or assisting with vulnerability assessments in their jurisdiction.

Level B TLOs provide 20 hours per month in support of ACTIC operations. Level A and B TLOs come from Federal, State, and local law enforcement and fire service agencies as well as the Arizona National Guard. ACTIC has 92 terrorism liaison officers.

The Community Liaison Program (CLP) consists of private sector and non-law enforcement government sector personnel. The CLP personnel have similar duties to those of the TLOs, but they do not respond to incidents unless they are subject matter experts or are part of an ACTIC advisory team. CLP personnel are chosen based on areas identified by the FBI's Infragard program—those that have a role in homeland security or are responsible for an area or sector of critical infrastructure. Training specific to CLP responsibilities is provided by ACTIC. CLP disciplines include information technology, government services, emergency services, public health, water supply, agriculture and food, banking and finance, energy, chemical industry, education, hospitality, defense, postal and shipping, telecommunications, transportation, and community groups.

#### **Facial Recognition**

One of the most innovative components of ACTIC is its partnership with the Maricopa County Sheriff Department's Facial Recognition Unit. The unit is building a database that can match suspect photos with one of millions of photos drawn from a variety of sources. ACTIC is working with Transportation Security Administration (TSA) and U.S. Customs to deploy the system in the field. The goal for the facial recognition database is to include all Federal booking and arrest photos, enabling investigators to access at least 9 million photos in less than 10 seconds.

ACTIC participating agencies include: FBI, ATF, U.S. Postal Inspection Service, TSA, ICE, U.S. Border Patrol, Arizona Department of Public Safety, Arizona National Guard, Arizona Department of Corrections, Arizona Department of Revenue, U.S. Department of State, Arizona Motor Vehicle Department, Arizona Attorney General's Office, Defense Intelligence Agency, Federal Air Marshal Service, Rocky Mountain Information Network, Phoenix Police Department, Phoenix Fire Department, Glendale Fire Department, Mesa Fire Department, Mesa Police Department, Glendale Police Department, Maricopa County Sheriff's Office, Air Force Office of Special Investigations, U.S. Secret Service, Internal Revenue Service, Maricopa County Attorney's Office, Scottsdale Police Department, Tempe Police Department, Arizona Department of Economic Security, Arizona Department of Liquor License and Control, and the U.S. Department of Homeland Security.

Other units housed at the ACTIC include:

- DPS Computer Forensics
- DPS Violent Criminal Apprehension Program (VICAP)

- DPS Geographic Information
- Arizona Department of Liquor License and Control, Fraudulent Identity Task Force

These units provide direct support to ACTIC ongoing operations and complement the available support to other agencies.

Ms. HARMAN. Right on time. Thank you, Mr. Beasley, and you can bet on our calling on you as we work on this issue of a national strategy. It is absolutely critical, in our view, that the state and local perspectives get into all of this.

After all, you are the customer, and the whole point is to give you added tools to know what is going on in your neighborhood, so we can prevent and disrupt potential harm against Americans.

Let me make a couple of comments about the testimony and ask a few questions.

Mr. Tomarchio, you gave us a lot of statistics, and more is in your written testimony, about all the goals and this date something was set up and that date something else was set up and all of these people are moving around.

I think that is useful, but I think that is not the objective. The objective is, as Mr. Beasley said, in real-time, to provide accurate, actionable intelligence to those in our communities who need it so that they can prevent harm.

So I think we have to focus on the objective. These fusion centers are not there so that some certain number of DHS personnel can move there, some amount of money can move there, but so that some amount of accurate intelligence can move there.

Is there any disagreement with what I just said?

Mr. TOMARCHIO. None from me.

Ms. HARMAN. All right. So let me just ask this question to each of you. There are issues with providing connectivity to these centers. There are duplicative networks. I think you all know that. There is HSIN, there is RISSNET. Every time we have been to these places, they have shown us four or five different systems, told us about what their perspective is on each of these, the advantages, disadvantages, but they have complained about this.

Similarly, there are problems with security clearances. There are problems between you, DHS and FBI, with respect to clearing people and there are problems clearing people.

So if our bottom line here is to get real-time intelligence to people who need it and have these fusion centers be part of that function, how does each of you, and I would like you to comment, Mr. Beasley, after they answer, to see whether you think their suggestions are the most useful suggestions, how is each of you planning to deal with this issue of connectivity and security clearances?

Mr. TOMARCHIO. I will go first. Madam Chairwoman, you are absolutely right. I have traveled to about 29 fusion centers, and I can remember when I went to the ACTIC, I was told that they can go to LEO, they can go to RISSNET, they can go to HSIN.

Ms. HARMAN. Why don't you spell these terms for the record, because some of the public watching won't know what you are talking about?

Mr. TOMARCHIO. Okay. The homeland security information network, HSIN. HSDN, the homeland security data network. LEO is the law enforcement online. The individuals who are working down

in the fusion centers sometimes feel that they have to forum shop, to go around and check which system is up.

We realized that, and I know that the FBI and the DHS are working to find a common portal of access between the RISSNET and the LEO system and the HSIN system.

That is still being worked on and it is not completed yet. It is in the hands of the technical folks, but we do realize that. I asked the question myself, I said, "Why can't this just be like AOL, and somebody goes there and finds the place they want to go? It is your single access point."

So I think we do realize that and we are working on that.

Mr. MINES. I concur with my colleague. It is a huge problem. Based on my visits to fusion centers across the country and some of the feedback I get, we are looking at various systems. I know that we have provided connectivity for our persons at the fusion centers through FBINET to allow them functionality in that space.

However, that doesn't satisfy the issues that are addressed by the fusion center personnel. Again, we are looking at HSDN to be that portal, I believe, but, again, our technical persons from both DHS and FBI are looking at that.

Ms. HARMAN. And security clearances, very quickly. What efforts are you making to have the same requirements and to make this easier for people?

Mr. MINES. There are two issues with security clearances. One was the time it took to get the security clearances for the persons in the fusion centers. And at the FBI, we recognized that issue and we were able to cut in half the time it took to process the security clearances for persons in the fusion centers.

The second issue is a communitywide issue that we struggle with, not only with FBI and DHS, but also throughout the intelligence community. As a matter of point, the ODNI recognized that as an issue in his 100-day plan as something that he needs to address and solve.

My security division is working with the ODNI to find a way to have a common process to pass security clearances and that is the issue, passing from one agency to the other.

Ms. HARMAN. Thank you.

Mr. Beasley, you get the last word here.

I just would note for everyone that this subcommittee is working on the subject of over-classification. If we could come up with something much simpler, we believe we could find a way around this serious security clearance problem.

Mr. Beasley?

Mr. BEASLEY. I will tackle the security clearance problem first. We are probably the exception to the rule in Arizona. We have no problem with the security clearance issue.

We partnered early on with the FBI. They have virtually cleared all 240-some state and local, not only law enforcement, but fire service, to at least the secret level. So the security clearance issue is not a problem to us.

As it relates to the data sharing, that is a problem and it is especially a problem for our analysts that have to go into the multiple systems. And we basically deal with two types of information. The first type would be DHS information that is more strategic in na-



ture, but I think more importantly to us at the operational level is tactical intelligence information that is very case specific and that talks about specific groups, specific individuals, and that is the type of information that we normally would get from the Federal Bureau of Investigation, who is our very close investigative partner.

So I think we are really talking about two types of information that is disseminated to state and local fusion centers.

Ms. HARMAN. Thank you very much.

Mr. Dent, the new ranking member, is recognized for 5 minutes.

Mr. DENT. Thank you, Madam Chairman.

I will start with my first question to Mr. Tomarchio and Mr. Mines.

As you know, these fusion centers are staffed largely by law enforcement personnel. Should this staffing be expanded to include representatives from other disciplines? If you agree with that, what other sorts of disciplines should be represented in the makeup of any given fusion center?

Mr. TOMARCHIO. Mr. Dent, I believe that it should be expanded. We have sat down in some states that other individuals from, for example, the fire service or fish and game or public health officials are sitting in fusion centers.

In some cases, there are even some private sector representatives in a fusion center or have access to a fusion center.

I think this is something that is going in the right direction, because they provide skill sets and they provide knowledge bases that might not be readily available to a law enforcement officer or National Guard officer that is sitting in the fusion center.

So I do support that.

Mr. DENT. Mr. Mines?

Mr. MINES. I concur with my colleague. I think earlier you heard about the migration of the fusion centers going from just terrorist activity to all crimes, all hazards. I think that is a good thing.

I think that it opens up more streams of information and intelligence that we can exploit. Also, in recognizing the up-tick in violent crime that we have read about lately, it is very important that these centers be in a position to support that.

The public partnership is an important piece. Some fusion centers are ahead of the curve with that and that is the direction in which we believe they should go.

Mr. DENT. Thank you. Also, in the CRS report, it was noted that many of the state centers indicated that there were problems with database integration and making sure that the personnel working in those centers had access to all the pertinent databases.

I think that is an issue in my own state, as well. Why is that so? Why are we having this integration problem? Is it a technological problem?

Mr. TOMARCHIO. I think the problem is, again, there is a proliferation of databases and obviously the customers out in the fusion centers don't want to see nine places to go to get information. They are looking for a single point of contact.

I think it is now a technical issue that we are addressing to try and shrink this profusion of databases down to one or two single points of contact or ports of entry and, as we testified earlier, that

is being looked at by both FBI and DHS and worked on by our technical folks.

Mr. DENT. So it is not a matter then of state officials being denied access to appropriate data because of security clearance issues, then.

Mr. TOMARCHIO. I think that, again, these databases operate at the secret level and individuals who are accessing them have secret clearances.

Mr. DENT. So the issue is largely technological, software. That seems to be the issue then.

Mr. TOMARCHIO. Well, I am not an IT guy, but I would think a lot of this is really trying to get our technical folks to get their arms around it and find a way to make this much more user-friendly.

Mr. DENT. Mr. Mines?

Mr. MINES. I think it is a two-pronged problem. I think it is technological, and I think it is also the time it takes to get security clearances done and providing security clearances for as many persons in the fusion centers as we can.

We also have to remember that a lot of these databases existed before the fusion centers did. So we have to ensure that as we brought all those pipes to the fusion centers, that they have access to these databases that are the most robust systems and ensure that we can service them with one, maybe two systems, instead of the 16 I have heard that they complain about in the centers.

Mr. DENT. Mr. Beasley, do you want to add anything on this from your perspective?

Mr. BEASLEY. That is absolutely correct. Again, we don't have any problem with the security clearance issue, but just in our center alone, we have, not counting our federal classified systems, we have over 100 databases that we routinely access, and it is extremely labor intensive and time consuming.

And I am not a technical person either, but we have had our technical people in, and they basically throw their hands up. Ideally, there would be a black box that you could put on your system and it would do all that, but to date, at least no one in our shop has been able to come up with that technology.

Mr. DENT. Just, finally, Mr. Mines, I guess, might be the best person to ask this question to. How do you feel is the best way for us to address privacy concerns raised by the existence of these fusion centers?

Mr. MINES. I think the best way to handle it is how we are handling it, through training, training the personnel in the fusion centers as to how to handle sensitive information, how to store sensitive information.

I think through DHS, we have a pretty robust training program, and I do know that the state and locals have their own training programs that speak to that issue.

Mr. TOMARCHIO. I would concur with Mr. Mines that this is a training challenge, and it is one that I think both the FBI and the DHS are addressing robustly.

Ms. HARMAN. I thank you, Mr. Dent.

The chair now yields 5 minutes to Mr. Perlmutter of Colorado for questions.

Mr. PERLMUTTER. Thanks, Madam Chair.

Mr. Tomarchio, let me just start with you with the first question I asked the last panel. Are you in charge of fusion centers for DHS or who is?

Mr. TOMARCHIO. I think, right now, fusion centers are in charge of fusion centers. These are, as you know, state organizations, funded by the states in most cases, stood up by the states.

We don't operate in a position where we can dictate to them, nor should we, how they operate their fusion centers. So I would say right now, the way it works is the fusion centers are in charge of their operations.

Mr. PERLMUTTER. But from DHS' point of view, in terms of providing information, intelligence, analysis, who is in charge of working with the fusion centers? Let me put it that way.

Mr. TOMARCHIO. The executive agent for working with the fusion centers comes out of my office, the office of intelligence and analysis.

Mr. PERLMUTTER. And, Mr. Mines, is there anybody within the FBI that is sort of your job is to work with these fusion centers and make sure that the FBI is working as cooperatively and fully as possible with the different fusion centers?

Mr. MINES. That responsibility sits with the directorate of intelligence under the assistant director, Murphy.

Mr. PERLMUTTER. I know in Colorado, and it sounds like the Arizona experience is better than Colorado, where we really have just a small group that is developing, and it will get a lot bigger over the course of the next year with the convention coming.

But two complaints have been on the credentialing side as to security clearance and then really not the quality, but the substance of the information that is shared from the top down.

And I think the response is you don't get much good information going from the bottom up, because they feel it is just a one-way street.

Can you react to that, anybody?

Mr. TOMARCHIO. Congressman, I know that that is an issue that concerns us greatly. We want to provide intelligence to the fusion centers that is actionable intelligence, that is important to them, and sometimes I think there is a cultural bias in the intelligence community which, for many years, wrote strategic products for the intelligence community or for the beltway.

We now have to work to make sure that the intelligence that we write is of interest and usable for the cop on the beat or the guy that is in charge of security in the harbor. I think that that is a work in progress.

We are doing that right now, in many cases, with regard to specific reports, such as prison radicalization, WMDs. We recently had a conference at Camp Parks, California with about 500 analysts from different states to discuss the threat of WMDs and what they would need to know about in their particular areas.

That is a work in progress, though.

Ms. HARMAN. Mr. Perlmutter, excuse me for interrupting, but we have four votes coming up and I think what we need to do is limit questions by each member so that we can adjourn this hearing be-

fore the votes, in order to give you a chance to have a day, and to give us a chance to go on with the business of the House.

Mr. PERLMUTTER. I will yield back, Madam Chair.

Ms. HARMAN. I appreciate it.

The chair now yields 3 minutes for questions to Mr. Carney of Pennsylvania.

Mr. CARNEY. Thank you, Madam Chair. This will be quick.

Mr. Mines, the GAO says that there is sometimes trouble with the FBI accepting other clearances of other organizations, despite federal law.

Can you comment on that?

Mr. MINES. Yes. As I mentioned earlier, that is an issue that not only the FBI and law enforcement, but the intelligence community is struggling with, handling.

Mr. CARNEY. But why are they struggling with it? I mean, there is a law that says that this is how it is supposed to be. There shouldn't be a struggle, I don't think, should there?

Mr. MINES. I agree. There is no baseline difference, but I think the law allows each agency to provide additional requirements in their security clearances and I think that is the issue, according to my security division.

But we are looking at that now, not only in the fusion center arena, but also in joint duty issues in the intelligence community, we are finding those issues, too. So we are looking to streamline that and address that appropriately.

Mr. CARNEY. Are you talking about compartments here or compartments within a certain clearance level? That is not what you are referring to then.

Mr. MINES. No, no, no. No, no.

Mr. CARNEY. I do intelligence, too, and the inability to share information, of course, hamstring us and really diminishes what we are able to do and how quickly we are able to do it.

So please resolve that.

Thank you, Madam Chair.

Ms. HARMAN. Thank you very much, Mr. Carney.

The chair now yields 3 minutes for questions to Mr. Dicks of Washington.

Mr. DICKS. Thank you.

Mr. Beasley, do you believe that Arizona's fusion center is producing useful information, and what steps are you taking to continually improve those products?

Mr. BEASLEY. Yes, we are. I can absolutely tell you that the information generated through the center is helping to solve crimes and to further counterterrorist investigations.

And we do that through our analytical component, through our community outreach component and through our training component. In essence, we believe, no disrespect to DHS and to the FBI, but if we are going to stop a terrorist act in this country, it is going to be through a contact by a field officer, a citizen, a field detective.

So we generate a lot of our training activities and awareness and what to look for to these really the true first line of defense, and this is why we feel we have been so successful.

Mr. DICKS. Mr. Mines, let me ask you this. Do you think we should have these fusion centers in each state or should we be

doing these regionally and using the New York City model as the approach that should be taken with a lot more staff, a lot more federal involvement?

I mean, you could still have fusion centers in every state, but what about having a regional group in the cities in the country to have something like New York has. Should that be the model that we look at to expand this grassroots effort?

Mr. MINES. That is certainly something that we should look at. Again, keep in mind, the fusion centers were first stood up to address the issues of that state and local area. We have to ensure that their needs are met.

But, again, the New York division is a model, has a lot of good best practices. That would facilitate the collection and analysis of information on a regional level, which would give us a better national picture.

Mr. DICKS. Thank you.

Ms. HARMAN. Thank you, Mr. Dicks.

The chair now welcomes and yields 3 minutes to Mr. Langevin of Rhode Island, who co-lead the CODEL we recently took to New York City to see the radiological threat in that city.

Mr. LANGEVIN. Thank you, Madam Chair, and I appreciate your leadership on these fusion centers and your leadership on intelligence and information sharing issues in general.

Let me just start. I know in reading the report, the CRS report was very critical of fusion centers, and yet we are going to get this right somehow. It is my hope that these fusion centers can be salvaged, that they can be made to work.

I am big believer, as is, I believe, the chair, that the best intelligence, good intelligence information sharing will always be the pointy tip of the spear, and it is always going to be most effective at keeping us safe and being able to target our resources.

I think it was you, Mr. Beasley, who said that most of the time, in terms of identifying terrorist activity, it is going to come from the cop on the beat, the detective, in their work, and I couldn't agree more, and we need to make sure that the support, the guidance that homeland security, that FBI is providing is making sure that they are telling the people on the front lines what to look for, and the people on the front lines are telling you and sharing what they are seeing.

I don't know that we have that effective two-way communication really going on right now, as well as the federal government being able to actually share actionable intelligence with our fusion centers with the people on the front lines.

Let me just ask this. Are we making progress on common databases and making sure that we are not drawing on multiple databases, but we have really one database? Are we moving in that direction, so that the left hand knows what the right hand is doing from the top on down?

Mr. TOMARCHIO. Certainly, Congressman, I think that that is a goal that we are striving for, to find that single point of entry so that you don't have this forum shopping problem that we spoke about earlier. It is a big problem and it has to be fixed, I believe.

Mr. LANGEVIN. And what about the common training programs, so that we are training people in these fusion centers so that they

can kind of change the culture of things that they may have been used to doing in terms of law enforcement, but we better train and more standardize the training of intelligence gathering and intelligence sharing? Can you comment on that?

Mr. TOMARCHIO. Certainly. Our department is engaged in a fairly muscular approach to training. We have mobile training teams going out with reports officer courses and intelligence writing and analysis courses.

But we need to do more of that and we need to bring those courses out to the fusion centers. It is very difficult for them to detail people back into the district for 3 weeks of a course.

So we are doing that, and I think the FBI is also doing that, but we are both going to continue to do that and probably expand that training.

Mr. LANGEVIN. I know the chair and I have discussed that issue of wanting to standardize the training that everyone goes through in these fusion centers, and I think that that is something we need to pay more attention to.

With that, I will end my questions, and I yield back the balance of my time.

Ms. HARMAN. Thank the gentleman for yielding back.

As I mentioned, we have votes on the floor, although the clock looks a little strange.

I would like to thank our second panel for your testimony. I think the entire day was very useful, and this subcommittee will continue to focus on fusion centers and to improve the operations of fusion centers as a very important tool for finding out what harms may be plotted against us and preventing them from occurring.

Thank you very much.

The hearing is adjourned.

[Whereupon, at 11:44 a.m., the subcommittee was adjourned.]

