

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAHAM of Florida. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM of Florida. Mr. President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTELLIGENCE REFORM

Mr. GRAHAM of Florida. Mr. President, this is the fourth floor statement I have made on the subject of intelligence reform. I have spoken previously about the history of our intelligence community, how did we get to where we are today. I have talked about the failures of the intelligence community to adapt after the end of the Cold War. And I have talked about the unfortunate lethargy with which both the current administration and, I must say, the Congress, have responded to the needs for much-needed reform of our intelligence agencies.

I must also express my gratitude for the excellent work of the independent 9/11 Commission. This Commission has built upon other sets of recommendations going back to the mid-1990s for the overhauling of our intelligence structure.

Today, I would like to spend a few minutes discussing the shape that I believe the organizational reform should take, and I would like to begin by briefly recalling the history of our modern Department of Defense.

The Defense Department evolution can be divided into three historic phases: first, pre-1947; second, 1947 through 1986; and, finally, 1986 until today.

In the first phase, the pre-1947 phase, practically going back to the birth of our Nation, we had independent services which had little coordination one with the other. The Navy had its own Cabinet level Secretary. The Army had its own Cabinet level Secretary.

The Army Air Corps, which was a product largely of the Second World War, was about to be spun off from the Army and almost certainly would have had its own bureaucratic structure. What avoided that from occurring was that Congress, at the insistence of President Harry Truman, stepped in, in 1947, with the National Security Act. This act created, among other things, the Department of Defense with a single civilian at the top and service chiefs reporting to that single Secretary at the top. That action did not end all rivalries and competition for budget dollars and prestige, but it helped.

However, there were dramatic instances of operational failures, includ-

ing the botched attempt to rescue hostages in Iran and the bombing of the Marine barracks in Lebanon and the problems which plagued the invasion of Grenada. All of these in their own way pointed to weaknesses in the structure that existed in the period from 1947 to 1986.

By 1986, Congress moved to address these concerns, the concerns that the services were not communicating well together or coordinating their activities toward common missions.

The Goldwater-Nichols Act of 1986 decentralized the military establishment and created joint operation commands based upon geography. The Joint Chiefs of Staff were given responsibility for planning and advising the civilian command structure on strategy. The joint commands have become very familiar to us all, and I might say, I am proud to say that three of these are based in my home State of Florida: the Southern Command in Miami, the Central Command, and the Special Operations Command in Tampa.

Goldwater-Nichols gave our Nation a much more effective mission-oriented warfighting machine. It is well recognized that this could not have happened had it been conducted under the centralized form of 1947.

The challenge today is, it took 39 years for the military to evolve from the centralized system of 1947 to the decentralized system of 1986. Using this analogy of our military command structure, I would suggest that our current intelligence community, the community of 2004, is in the pre-1947 state. I would further suggest that if this is the year to be "the 1947 for intelligence," we cannot wait 39 years to get it right with our intelligence community, that we cannot centralize the leadership of intelligence agencies under a new director of national intelligence and then wait for decades until we enact the equivalent of Goldwater-Nichols legislation for the decentralization of intelligence.

Given the threats we face around the world, it is urgent that in the same act that brings the intelligence agencies together—which are defined around functions—under a new director of national intelligence, that in that same legislation we need to lay out the plan for the most effective management of intelligence and collection and analysis in order to achieve the missions responding to the threats we have today.

At the very least, we should plant the seeds for the next necessary step—decentralization, jointness of effort among our intelligence agencies and personnel, and a mission-based orientation.

I would propose, as has the 9/11 Commission, that we empower the director of national intelligence to establish centers which are built not around regions of the world, as are our military commands, but around the threats to which our intelligence community must better understand and equip us to respond.

The 9/11 Commission recommended one such center, a center on counterterrorism. In the legislation that is currently being considered by the relevant committees in the Senate, there is a statutorily directed counterterrorism center. I am pleased that President Bush has now begun to provide, belatedly as it is, the creation of such a center by statute.

Other centers which should be authorized in this legislation but not specifically identified are those that focus on other challenges, challenges that we face today, challenges that we may face in the future.

For instance, I do not believe anyone in this Chamber would question the fact that we need to have a national intelligence center which focuses on how we are going to counter and combat the proliferation of weapons of mass destruction. We will probably also find that we need to have a center which focuses on financing, the financing of rogue states, the financing of terrorist organizations.

It is entirely possible that we will need to create centers to respond to threats that are defined by national boundaries or regions, such as the specific dangers posed by regimes in North Korea and Iran.

But most of the threats we now face do not lend themselves to geographic definitions. Just look at how al-Qaida has rejuvenated itself into so many decentralized parts of the world with such a flexible, nimble organizational structure, that we failed to wipe it out in Afghanistan, diverted our attention to Iraq, and have now allowed the enemy to become much more violent and effective.

The analogy that I have used is to that of a puddle of mercury. If you slam your fist into the mercury, it does not disappear. It becomes a thousand tiny blobs scattered over the tabletop. That is essentially what we have done to al-Qaida. We have slammed our fist into the puddle of mercury and now we are faced with literally hundreds of droplets around the world.

The key to this mission-based decentralization of intelligence, in my opinion, is that we must give the director of national intelligence the statutory authority to manage the community with flexibility and nimbleness so he or she can quickly establish new centers or modify existing centers as future threats emerge, just as Goldwater-Nichols has given that authority to the Secretary of Defense.

Again, there is an analogy in the Defense Department since Goldwater-Nichols. Originally, the countries of Syria and Lebanon were assigned to European Command because they were thought to be more relevant to European defense issues than the Middle East.

Recently, there has been a reorganization for those two countries, recognizing the fact of the threat they pose through such things as providing sanctuary to some of the major international terrorist groups, that it would

be more appropriate to assign them to Central Command which has responsibility for the Middle East and Central Asia. I am very pleased that such an approach has a growing number of advocates within the intelligence community.

As an example, Flynt Leverett, a former senior analyst at the CIA and later Senior Director for Middle Eastern Affairs at the National Security Council from 2002 to 2003, is now a visiting fellow at the Brookings Institution. He wrote an opinion piece for the *New York Times* in July of this year. In that article, Mr. Leverett said the following:

Clearly, structural reform needs to go beyond the creation of a freestanding intelligence "czar" who would oversee the entire American spy network. We need to develop a model of "jointness" for the intelligence community, analogous to that which Goldwater-Nichols Act did for the uniform military 18 years ago . . .

Before Goldwater-Nichols, too many modern military missions were characterized by disaster . . .

Since Goldwater-Nichols required the armed services to collaborate, we have seen the successes of Panama, Operation Desert Storm, and the outstanding battle performance of our forces in Afghanistan and Iraq.

This model should be applied to American intelligence.

This means moving away from the current organizational structure, [which is] defined primarily along disciplinary and agency lines . . .

Instead, we should organize and deploy our resources against high priority targets, including terrorism, weapons of mass destruction, China, and the problem states in the Middle East.

Focused on a particular target, each group would draw on people and resources from across the intelligence community. . . . Existing agencies would function primarily as providers of personnel and resources, much as the individual military services function in relationship to the combatant commands.

It is clear that our intelligence agencies cannot move towards partnership on their own. The post-9/11 battles among the counterterrorist center, the new Terrorism Threat Integration Center, the F.B.I., and the Department of Homeland Security over primacy in assessing the terrorist threat strongly suggest that we have regressed in our efforts to integrate . . .

It is going to require strong presidential and Congressional leadership to achieve genuine reform.

I ask unanimous consent that Mr. Leverett's entire article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the *New York Times*, July 9, 2004]

FORCE SPIES TO WORK TOGETHER

(By Flynt Leverett)

WASHINGTON.—Today, the Senate Intelligence Committee is expected to release its report on the prewar intelligence on Iraq. The document is likely to make clear that America's intelligence network, particularly the Central Intelligence Agency, badly needs repair.

The Senate report will also show that America's intelligence shortcomings aren't going to be addressed simply by changing C.I.A. directors. As the report should make

clear, our spy services both failed to do a thorough enough job watching Iraq's weapons programs and played down evidence that challenged the prevailing assumptions that the programs were active. In addition, analysts did not critically evaluate their sources of information; instead, they marshaled the available evidence to paint the picture that policymakers wanted to see.

And how will President Bush and his administration respond to these findings? It's unlikely that they will do much of anything. After all, every independent panel that examined American post-cold-war intelligence—including President Bush's own Scowcroft commission—recognized that fundamental structural changes were needed in our intelligence services. Yet, the White House has remained steadfastly passive as critical problems have gone unaddressed. Meanwhile, administration loyalists have argued repeatedly that structural change is not needed to improve the community's performance, providing a politically comfortable rationale for the White House's inaction.

In theory, the argument against radical reform might seem plausible. The director of Central Intelligence today has sufficient authority on paper to address many of the issues that will be identified in the Senate report, like the failure of collectors and analysts to share information about sources.

But in practice, the C.I.A. has had a hard time breaking free from its culture of mediocrity. During my years in government at the C.I.A. and elsewhere, I was repeatedly told that the problems now publicly identified in the Senate report were going to be fixed. I remember years of discussion about the desirability of "co-locating" analysts and operations officers working on the same target—seeing to it that they had the equal access to information about their sources. But in the end, nothing was done to change old ways of doing business, setting the stage for the Iraq fiasco.

The story, it seems, hasn't changed much. In February, for example, Jami Miscik, the agency's deputy director of intelligence, told C.I.A. analysts in a speech that the problems with information-sharing would be fixed within 30 days. It's July, and nothing has happened.

Clearly, structural reform needs to go beyond the creation of a freestanding intelligence "czar" who would oversee the entire American spy network. We need to develop a model of "jointness" for the intelligence community, analogous to what the Goldwater-Nichols Act did for the uniformed military 18 years ago. That legislation made the chairman of the Joint Chiefs of Staff the principal military adviser to the president. It also mandated cross-service commands, defined regionally and functionally, as the operational chains of command for American military forces.

This change produced real improvement in military performance. Before Goldwater-Nichols, too many modern military missions were characterized by disaster: the botched attempt to rescue hostages in Iran, the bombing of the Marine barracks in Lebanon, the operational problems that plagued the invasion of Grenada.

Since Goldwater-Nichols required the armed services to collaborate, we have seen the successes of Panama, Operation Desert Storm and the outstanding battlefield performance of our forces in Afghanistan and Iraq.

This model should be applied to American intelligence. This means moving away from the current organizational structure, defined primarily along disciplinary and agency lines. (The C.I.A.'s directorate of intelligence, for example, is responsible for all-

source analysis; the directorate of operations is responsible for human intelligence collection; the National Security Agency is responsible for communications intelligence. Turf is sacred.)

Instead, we should organize and deploy our resources against high-priority targets, including terrorism, weapons of mass destruction, China and problem states in the Middle East. Focused on a particular target, each group would draw on people and resources from across the intelligence community. These new target-based centers would report to a new national intelligence director, not to heads of individual agencies. Existing agencies would function primarily as providers of personnel and resources, much as the individual military services function in relation to the combatant commands.

Certainly, there have been some tentative steps toward collaboration. The Counterterrorist Center and the Weapons Intelligence, Proliferation and Arms Control Center, both of which report to the director of Central Intelligence, reflect some of the logic of such cooperation. While the counterterrorist center wasn't inclusive enough to bring together information that might have stopped the 9/11 attacks, at least its analysts and operators are focused, in an integrated way, on their target.

Still, it is clear that our intelligence agencies cannot move toward partnership on their own. The post-9/11 battles among the counterterrorist center, the new Terrorist Threat Integration Center, the F.B.I., and the Department of Homeland Security over primacy in assessing the terrorist threat strongly suggest that we have regressed in the effort to integrate. For its part, the arms control center was not independent enough of C.I.A. views to avoid being led toward a flawed analysis of the Iraqi arsenal.

It is going to require strong presidential and Congressional leadership to achieve genuine reform. Thoughtful members on both sides of the aisle in both houses of Congress are already working on serious reform proposals, though nobody has yet had the courage to devise a Goldwater-Nichols Act for our spy agencies. In this context, the Bush administration's lack of initiative is inexcusable and unconscionable.

There are those who argue that intelligence reform should not be taken up during a political season. They are wrong. This kind of reform can take place only in a political moment. We need a thorough discussion of the issue in the context of the current presidential campaign so that whoever is inaugurated in January has a mandate to break organizational pottery in order to save American lives.

Mr. GRAHAM of Florida. The broad goal of ensuring that the Goldwater-Nichols model is applied to the intelligence community should be the top priority as we shape the organizational reforms in our pending legislation. It is my intention next week to speak to some specific organizational reforms which should be included in order to achieve this broader objective of a decentralized, joint, and nimble intelligence community, capable of responding to our emerging threats.

Let me repeat Flynt Leverett's conclusion: It is going to require strong Presidential and congressional leadership to achieve genuine reform.

That is our challenge. Next week, we will be tested as to whether we will be able and worthy to meet that challenge.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMARKS OF SENATOR DANIEL K. INOUE

Mr. STEVENS. Mr. President, there are times when one reads a speech that has been given by another Senator and reaches a conclusion and says: I could have given that speech.

Today I was given a copy of the statement made by my Senate brother from Hawaii, Senator INOUE, at the David Sarnoff Award Banquet last night. I came to the floor to commend that speech to Members of the Senate. I do think if Senators read it, some of them at least might change their position on some of the issues that are going to come before us next week.

This is a very thoughtful speech that Senator INOUE made. This David Sarnoff Award, as we all know, is named after the founder of the Association of Communications, Electronics, Intelligence and Information Systems Professionals, a group of people who have devoted their lives to improving the technology for our people who are engaged in the intelligence-gathering system of the United States.

This is an award that has been given to many distinguished people in the past—former Secretary Bill Perry, Secretary of State Colin Powell, former Senator and Vice President Al Gore, our current Vice President, DICK CHENEY. It is an award anyone would be proud to receive, but as a practical matter, I bet those people did not expect the speech of the type they heard. It is one that I think, as I said at the beginning, demonstrates what we say from time to time: That the two of us think alike and speak alike.

I commend this speech to Members of the Senate and hope Members will read it and understand it. I ask unanimous consent that Senator INOUE's speech be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DANIEL K. INOUE AT THE DAVID SARNOFF AWARD BANQUET, SEPTEMBER 22, 2004

Admiral Browne, General Renzi, distinguished guests, I want to thank you for bestowing this great honor upon me. I am pleased to accept the David Sarnoff Award, named after your founder of the Association of Communications, Electronics, Intelligence and Information Systems Professionals.

Moreover, I am humbled to be included with such notables as Bill Perry, Colin Powell, Al Gore, and Dick Cheney in receiving this award.

David Sarnoff was a visionary who provided so much to the communications industry.

Rising from humble beginnings to become a powerhouse in the radio and television

business, he is indicative of the American success story. As one who has served in government most of my adult life, I especially admire Mr. Sarnoff for his goal of fostering a partnership between government and industry.

This partnership between the communications, electronics and information technology business has been critical to our Nation's security and to the advances in our defense and intelligence capabilities. So, I thank you most sincerely for this award.

My friends, we live in interesting and very dangerous times. Many felt with the collapse of the Soviet Union we had entered into a new era of global peace. Today however, we recognize that we face a new enemy, one that knows no borders and operates beyond the norms of civilized society.

Much of what you in the AFCEA Association do helps to fight this new threat and we thank you for that. Your hard work pays great dividends for our Nation's security every day. Through your efforts we have made tremendous improvements in command and control and communications and in information technology. These improvements are so critical to our Nation's defense and its intelligence capabilities.

I often remark that we have the greatest military in the world, perhaps in the history of mankind. Our young men and women who put on the uniform of this country serve us all magnificently.

Let me remind you that it is only one percent of our citizens who serve in our armed forces to protect the remaining 99 percent of us. We are truly in their debt.

It is for them that I strongly encourage our leaders to approve a robust budget to strengthen defense every year.

Your members also help to strengthen our defenses by improving electronics, communications and information technology programs. Your work helps every day to protect these young men and women and enable them to perform their mission more efficiently and effectively.

I would like to note tonight, in addition to our military, our Nation is lucky to be served by the men and women in our intelligence community. They truly represent the best in public service. And your work means a great deal to their success.

Today in Washington we are focused on intelligence, specifically on the intelligence community and the need for further improvement. The tragedy of 9-11 and the faulty intelligence which had many believing that Iraq had weapons of mass destruction led the 9-11 Commission and many others to call for reforming intelligence.

The Commission contends that we had an intelligence failure, that it was a systemic problem as opposed to several mistakes being made by our intelligence community. They blame it on a failure to connect the dots and a lack of imagination.

In their analysis, they note that several terrorists met in Malaysia and that a few proceeded from there to the United States and took part in the attack on 9-11. They conclude that the CIA should have recognized that these terrorists were linked to the bombing of the USS *Cole* and should have informed the FBI and the State Department about the meeting.

It is this type of error which they say necessitates an overhaul of our intelligence infrastructure.

We all wish that our analysts would have been prescient enough to recognize the relationship among these terrorists, and their connection to the *Cole* bombing, and the importance of the Malaysian meeting.

We all wish that these same analysts would have made that information available to the FBI and State Department where

there exists a possibility that it would have triggered an investigation of their movements here. But I for one believe it would have taken a lot of luck for that to have happened—more than simply connecting the dots or having better imagination.

Consider this point. It has been 3 years and 11 days since the attack on our Nation. In that time, we have devoted billions of dollars and we have sacrificed many young lives in the war on terrorism, but as far as we know, Osama Bin Laden remains hidden from view directing the far flung al Qaeda network.

Would anyone seriously claim that we have not worked hard enough to connect the dots?

Let's assume we capture Osama soon, somewhere in Pakistan. When we then learn how he escaped from Tora Bora and made his way to Pakistan will we blame faulty intelligence for letting him slip through our grasp?

I fear in today's environment some will offer that critique.

Ladies and gentlemen, intelligence is a tough business. Many of you, perhaps most of you have been involved as providers or users of intelligence in your distinguished careers. I am not telling you something new.

You have witnessed and in some cases taken part in the advances in communications and in command and control which have revolutionized intelligence. You know the incredible progress we have made through information technology. But, with all the highly sophisticated tools in our arsenal we still can't find Osama.

So I ask you, is then a failure of our intelligence system? I think most, if not all of you would agree it is not.

As you know, as ranking member of the Defense Appropriations Subcommittee, I have access to virtually all of our Nation's secrets, including those in the Defense Department and in intelligence programs as well.

I am well aware of what happens day to day in our intelligence business.

But, because of the necessary secrecy of intelligence, most Americans never hear about the success in intelligence.

If the CIA breaks up an al Qaeda cell in southern Europe or western Africa, it is not reported.

If a ship transporting raw materials for the construction of weapons of mass destruction is stopped in port before it reaches its destination, the world is unaware. You know, sometimes I just shake my head when I hear those in the media and even some of my colleagues criticize our intelligence capabilities because all they can see are the failures.

Over the past 3 years my committee has been informed of multiple threats most of which have never been publicized. The intelligence community must treat each warning with utmost care. They must research and investigate each one to determine its veracity, and then respond appropriately to those incidents which are deemed credible.

In many cases what some call connecting the dots is really like searching for a needle in a haystack. And, just to make it more difficult, there are many haystacks to examine and in some cases the needle looks exactly like hay. Sure the needles are there and theoretically they could be found, but should we really expect our analysts to find them every time?

My friends, intelligence is tough business. Our experts are working round the clock on these issues.

Furthermore, I want everyone to realize that we are not standing still. The intelligence community has come a long way in improving intelligence cooperation.

We created the terrorist threat integration center to bring analysts from various parts of the community to work together. The enactment of the PATRIOT Act brought down