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U.S. Senate Committee on Homeland Security and Governmental Affairs

Hearing entitled

"Ten Years After 9/11: Is Intelligence Reform Working? Part II"

May 19, 2011

The successful Osama bin Ladin operation would seem to be an occasion to celebrate the success of intelligence reform, not to criticize it. A decade of dogged pursuit of the man who launched the 9/11 attacks on the United States, involving the full resources of the Intelligence Community, finally found its man. The Intelligence Community then provided superb support to the Special Operations team that made the successful raid into Abbottabad.

It is commendable that for the single most urgent national security mission, when the objective is clear, the priority the highest, and the full attention of national leadership is engaged, the Intelligence Community works well together, and works well with the rest of government. It reinforces the importance of getting the system right, so that this kind of performance becomes the norm for all intelligence missions, so that the Intelligence Community operates routinely as an integrated team.

That was the goal of the Intelligence Reform and Terrorist Prevention Act (IRTPA) of 2004. IRTPA was passed in the wake not of a success, but of a disaster, and was an incomplete piece of legislation, passed under heavy time pressures, full of compromises and leaving many ambiguities. However the concept at its heart - integrating the activities of the sixteen intelligence agencies under a Director of National Intelligence - remains valid. There is a great deal of intelligence integration still to be done, and continued intelligence reform must continue as a national imperative. As I saw firsthand on many issues, with White House and Congressional support, the DNI can drive improvement in the Intelligence Community (IC) that will keep pace with the dynamic threats we face. I strongly urge this committee to continue to deepen intelligence integration by supporting a powerful DNI with a strong staff.

How Intelligence Works

Intelligence support is a cycle; it begins with questions, whether from the President, a military commander or ambassador in the field or a domestic law enforcement agency: What is the status of Iran's uranium enrichment program? How effective or corrupt is a particular provincial official in Afghanistan? What is the threat to a city's mass transit system? The next step is for the intelligence agencies to collect information to help answer the questions.[1] Using the reports from the collection agencies, all-source analysts provide answers to the policymaker or operational official. If the intelligence collection is good, the answer can be detailed and specific. For example, if the head of a provincial reconstruction team asks about the reliability of a local official, and through signals intelligence, an NSA collector has retrieved records of bribes, then the analyst can provide a full and detailed answer. Lacking complete detailed information like this, the analyst will use his or her own expertise, fill in gaps with logical inferences, provide the best answer possible, and explain what is known with certainty and what is inference. This cycle of question, collection, analysis and answer repeats continuously. It involves officials in many different intelligence agencies collaborating by sending requests for information, reports of intelligence collected, and drafts of analytical judgments back and forth until an answer is provided.

Many improvements in this cycle happen through the individual efforts of the talented officers within individual intelligence agencies. However a decentralized, cooperative system will not meet the challenge of prying out the secrets the United States needs to understand that tyrants and terrorists are protecting by brutally enforced security measures as well as by denial and deception measures. Each agency will do the best it can, but none has all the capabilities necessary, nor the overall responsibility for the end result. Systemic improvement of the entire enterprise and tackling the toughest challenges are the unique responsibility of the Director of National Intelligence.

Assume there is an authoritarian country we suspect is developing a dangerous secret military program. Policymakers in Washington, combatant commanders and ambassadors in the field are asking for a detailed description of the program and the enemy’s plan to use it.

It is difficult in closed societies to recruit a high-level program official willing to provide a continuous and detailed stream of information. It is more feasible to recruit a lower level, less dedicated and underpaid informant. If the lower level official can provide an e-mail address or phone number of a superior, then we can gain access to a stream of

[1] The major categories of intelligence collection are human, signals, geospatial and open source intelligence. Most of the funding of the major national intelligence agencies goes to collection: the National Security Agency (NSA) for signals intelligence, the National Clandestine Service (NCS) of the Central Intelligence Agency (CIA), the Directorate of Operations of the Defense Intelligence Agency (DIA) and the National Security Bureau of the Federal Bureau of Investigation (FBI) for human intelligence, the National Geospatial-Intelligence Agency (NGA) for imagery intelligence, and the Open Source Center (OSC) for intelligence available from public sources, in print or on the internet.

communications that provides additional information. If that stream of information contains the location of a significant program site, then we can use imagery of the area for additional clues. Once we have identified an important site in the program, then we can recruit residents living nearby who can provide information on what is happening at the site.

This cycle of using clues from one intelligence source to cue entirely different collection methods repeats until a clear picture of the entire program emerges, with access established to the most productive human recruits, networks, and geographical facilities. In order for this close-knit cycle of tipping and cueing to occur, every collector and every analyst of a multi-agency team must have full access to all the relevant intelligence held by every other agency. Human intelligence specialists must be able to read not just the gist of a translated telephone conversation, but the full conversation in the original language. By the same token, signals intelligence specialists need to be able to read the full debriefings of human sources, not simply edited summaries.

Full sharing of intelligence at this level is not natural to individual intelligence agencies, with their understandable but sub-optimizing emphasis on the protection of information. Only the DNI and his office can institutionalize the building and empowerment of integrated interagency teams to integrate the skills of all the diverse agencies in the Intelligence Community to answer the most difficult and important intelligence questions.

The organizational approach to meeting the most difficult intelligence challenges is mission management. The job of the mission manager is to drive improvement in all aspects of the Intelligence Community's performance in an important intelligence area. A mission can be an individual country - North Korea, Iran, Afghanistan, Pakistan - or a crosscutting issue - combating terrorism or countering proliferation of weapons of mass destruction. Mission managers are senior intelligence officials chosen for their proven intelligence skills and for their community-wide outlook. As the champions of their missions within the Intelligence Community, they establish and evaluate the integrated collection teams I just described and develop plans for IC support to operations in the field. They write an annual assessment of the state of the mission and proposed plans for further improvement that feed into the budget development process.

When I became DNI in early 2009 I found that several of the mission management teams were working well, but that many others were struggling, and some did not even exist, even for high priority intelligence challenges. Working with agency leadership and my staff, I raised the visibility and priority of these efforts, and started a high-level review to assess progress, identify obstacles, set specific goals and ensure adequate resources were provided to these teams. Progress was steady.

My successor, Director James Clapper, has greatly expanded the concept of Mission Management, and there are now some sixteen National Mission Managers. I cannot tell if the expansion has been successful in improving the integration of intelligence collection and analysis for these missions. It was my experience that to be effective, a

mission manager needed the high-level and detailed support of the DNI himself in order to overcome the obstacles to integrated intelligence: agency restrictions on sharing of intelligence; agency control of personnel assignments to missions; agency control of budget execution. It took high-level attention and intervention to align agency priorities with overall national intelligence priorities. Perhaps over time the agencies will naturally support the mission managers, but it is not the case yet. It will be a challenge to the DNI and his staff to ensure that sixteen national mission managers are receiving the high-level support they need to be effective. Improved effectiveness will not happen without a strong and aggressive DNI.

Beyond organization and authorities there are two significant and encouraging trends in the Intelligence Community that are driving intelligence integration.

First, in the field, where it counts, I found that the level of instinctive cooperation across the intelligence agencies was high and enthusiastic. The officers in dangerous places doing tough jobs had no tolerance for bureaucratic obstacles. If an intelligence officer from a different agency had a skill or capability to contribute to the mission, he or she was expected to join the team. At one forward base a couple of years ago a CIA case officer was on the way to a restaurant to recruit an agent. An NSA signals intelligence officer intercepted a conversation about the final preparations to kill the American in that restaurant. A quick phone call to the case officer saved her life. Intelligence officers in the field are developing integrated intelligence operations well in advance of Washington.

Second, more than half of intelligence officers currently serving have joined since 9/11. The younger generation is much more instinctively willing to work with their colleagues from other agencies in collaborative, mission-centered organizations. They are much more impatient with bureaucratic barriers; internet-savvy, they are more likely to post and pull information from common databases rather than to hoard it.

The Role of the DNI

Each of the four Directors of National Intelligence since 2005 has faced a different set of challenges in integrating intelligence. Director Negroponte had to solve all the logistical problems of establishing a new organization and setting up basic organizations to carry out the responsibilities that IRTPA gave him. Director McConnell, a military intelligence officer by background, instituted a series of aggressive programs with specific objectives and deadlines to improve important aspects of intelligence operations, and led the revision of Executive Order 12333 which filled in several of the gaps in legislation. When I became DNI in January 2009, I inherited an Intelligence Community that was performing well in many areas, but still needed improvement. When I had gathered my leadership team, we wrote a new national intelligence strategy. It established four strategic goals for the Intelligence Community: Enable wise national security policies, support effective national security action, deliver balanced and improving capabilities, and operate as a single integrated team. This strategy guided my efforts during my time as DNI.

Enabling Wise National Security Policies

The major forms of intelligence support to policy are the President's Daily Briefing, the six-days-a-week publication distributed to the top policymakers in Washington, and the intelligence papers and briefings provided to policymakers during the deliberations of the national security leadership at various levels.

As DNI it was my responsibility to ensure that there was a timely and accurate flow of intelligence information to policymakers as the Obama administration reviewed the policies it had inherited and took initiatives in new areas. I found that overall we had enough foundational intelligence information for smart, experienced analysts to present accurate and compelling explanations of the capabilities and intentions of countries and other groups the United States was dealing with. The Administration's Afghanistan/Pakistan policy deliberations have been described in detail in books and articles. The intelligence support to those deliberations was comprehensive, timely and realistic. Speaking truth to power was encouraged.

In fact, the appetite for intelligence was so strong in this Administration that policymakers often demanded a level of detail that we could not always provide. For example, we had high confidence that North Korea was pursuing a uranium enrichment program, based on the regime's own statements, physical evidence, and careful deductions from fragmentary evidence. However we did not have a complete picture of the nature and location of every component of that program. We had high confidence that Osama bin Ladin was holed up in the rugged terrain of the Afghanistan/Pakistan border region, but we did not know his exact location. As it turned out, he was a hundred kilometers away, closer to Islamabad than to Afghanistan. Like the Iranian regime itself, the Intelligence Community did not initially have detailed information on the nature and strength of the opposition that formed during the June 2009 elections.

It is the job of the DNI to push the Intelligence Community for better collection and sharper analysis on the important intelligence questions. However, it will always be the case that intelligence knowledge of the intentions and future actions of complicated, secretive authoritarian adversaries will never be known completely. The DNI must not only provide intelligence estimates, but also explain the limitations of intelligence and guide policymakers to take into account the range of uncertainties and limitations in intelligence judgments as they make policy decisions and establish programs.

Based on fragmentary intelligence and logical inferences, in the spring of 2009 I warned policymakers that al Qa'ida had the capability to conduct terrorist attacks using operatives with American passports or visas who had received training in South Asia and had returned to the United States. Policymakers understandably pressed hard for additional specific information, which was simply not available, despite our best efforts to identify individuals. It was not until they attempted to carry out their attacks that we learned the identities of Najibullah Zazi, Umar Farouk Abdulmutallab and Faisal Shahzad.

The responsibility of the DNI in these cases, in addition to warning policymakers of the threat, is to work with responsible departments to develop security programs that take full advantage of the fragmentary intelligence information we could expect to gather. For too long the only responses to the incomplete threat information we collected on al Qa'ida operatives was a general color-coded nationwide terrorism warning or the "no fly" list. We needed to do better. I engaged personally with Secretary Napolitano on this issue, and her team early in 2010 and DHS developed several imaginative programs to take advantage of partial intelligence to guide their screening at border entry points. These programs are now in effect and achieving positive results.

The personal role of the DNI is crucial in these major issues. Some commentators have opined that the DNI can operate behind the policy scenes but not personally participate in the policy deliberations at the highest level. A regional or functional senior intelligence analyst, according to this line of argument, should attend the high-level policy meetings. Still others have the odd notion that the President's intelligence officer should give an intelligence assessment at the beginning of a policy discussion, and then leave the room. In fact, I was excluded from the final meetings in the White House that decided this administration's Afghanistan/Pakistan policy in the autumn of 2009.

These notions do the President and the country a disservice. It is the DNI, responsible for and knowledgeable of the intelligence judgments on major issues, the strengths and weaknesses of the organizations and individuals who formed those judgments, with the responsibility for allocating overall intelligence resources, and with the cabinet-level understanding of the country's and administration's needs, who must advise his fellow NSC members and the President on the big issues. He or she must be included in all the policy deliberations so that they do not stray from a realistic understanding of both adversaries and friends. He or she must work with other Cabinet officers to ensure that their intelligence support is as good as possible and is being put to the best possible use.

Supporting Effective National Security Action

Intelligence support for operations is different from support for policy in the amount and level of detail and short timelines. Military forces and civil teams in Afghanistan need to know where specific improvised explosive devices (IEDs) are buried, the identity and location of individual Taliban leaders and sympathizers, the competence of specific provincial leaders and the state of village economic development. Intelligence support to operations is technology-intensive, fast-paced, very specific and flexible.

In recent years with the major deployments of US forces to Iraq and Afghanistan, the largest volume of the nation's intelligence has been devoted to support these operations. There are other campaigns and day-to-day operations that require similar fine-grain, very current intelligence support: operations worldwide against leadership and operatives of al Qa'ida and other terrorist groups, Department of Homeland Security's screening of those entering the United States, and operations at home and abroad against international drug trafficking. All these important national security operational campaigns require very fresh, very detailed intelligence information to be successful. In recent years great

progress has been made in the quality and timeliness of this category of intelligence support.

In the office of the DNI, we had three important responsibilities in surging intelligence support to Afghanistan.

First was funding. Integrated support to operations requires a dense network of technical collection systems, high bandwidth communications, and intelligence centers; this system had to be built from scratch in Afghanistan. Analysts, collectors and communicators had to be sent forward and supported. We coordinated the development of this plan through the Intelligence Community Executive Committee[2], and gained approvals by both OMB and the Congress.

Second, my responsibility was to ensure that the intelligence was tailored to the requirements of Afghanistan, not copied from the template of Iraq or elsewhere. My staff and I worked to ensure that the non-military elements of the deployment to Afghanistan - the embassy team, and the provincial reconstruction teams - were able to receive the same quality of intelligence to conduct their missions as did the military units.

Third, it was my responsibility to ensure that intelligence was shared across all the organizations participating in Afghanistan operations, with the Afghanis themselves, and with our international partners. We continually pushed to share as much intelligence as possible, consistent with counterintelligence considerations. There were dramatic improvements that would not have happened without DNI authority and action.

Intelligence support to operations is the most integrated and effective of all the major intelligence activities. Go into any intelligence center involved in the campaign against al Qa'ida, or into a joint intelligence center in Iraq or Afghanistan, and you will meet officers from all the intelligence agencies, and often from many other countries, with high bandwidth, high security access to all the databases of their parent agencies, sharing with their teammates from other agencies in support of the mission of their organization. Most of them are young and have recently joined the intelligence community; for them this kind of integrated intelligence is a natural way of doing business. As they return to their parent organizations, and assume positions of greater responsibility, they will carry these habits of integration with them, raising the overall level of integration, and effectiveness of all the missions of the intelligence community.

Delivering Balanced and Improving Capabilities

A key and unique responsibility of the DNI is formulation of the budget for the Intelligence Community and approving major technical systems. When I arrived as DNI, there was no system in place to support major budget decisions with adequate analysis of costs, risks and alternatives, and there was a recent history of failed multi-billion dollar

[2] The Executive Committee (EXCOM) of the Intelligence Community, chaired by the DNI, is the regular meeting of the heads of the sixteen intelligence agencies and elements along with the senior staff members of the Office of the DNI. It is this body that advises the DNI on all major initiatives and decisions.

technical collection and information technology programs. Congress had justifiably placed hundreds of millions of dollars for one important class of technical collection system in an escrow account until we submitted a realistic plan.

One of my first actions as DNI was to convene an outside panel to review the Intelligence Community planning, programming, budgeting and evaluation processes, and the acquisition system. They did a splendid job, and I adopted all their recommendations.

The major missing component the panel identified was a program planning function to identify, analyze and decide the major, multi-billion dollar budget issues early in the budget process, leaving the smaller, multi-million dollar decisions for the end. In addition, the panel pointed out that there was no systematic process for identifying and analyzing system requirements; nor was there a program evaluation office to drive these essential functions.

We immediately created the office of Studies, Requirements and Analysis and staffed it without an increase in ceiling for the ODNI. The office was soon taking the lead in establishing a budget cycle and providing data and analysis to tackle many of the major resource challenges that faced us: the cost of retaining and storing data, overruns in major collection systems, older systems reaching the end of their service lives and needing replacement, and declining investment in science and technology. Within a few months this office was providing analysis of major budget and system issues for discussion in the Executive Committee with the entire Intelligence Community leadership before I made final decisions.

One area requiring major attention was science and technology (S&T), in which investment had been declining for several years. An excellent provision of the IRTPA was the establishment of the Intelligence Advanced Research Projects Agency - IARPA. This agency, modeled on the successful Defense Advanced Research Projects Agency, undertakes very risky technological developments that will have high payoff for intelligence. I increased IARPA's funding so that it could fund its most important initiatives, which were showing early promise.

However, S&T work within the major agencies needed attention as well. They had been able to adapt commercial systems for intelligence use in clever ways, but commercial products are often not suitable for intelligence use, especially in major technical systems. There had been no systematic program to develop the necessary specialized components. Under the leadership of a new team in the Office of the DNI, a system is now in place for S&T requirements and for assessing the performance of the agencies in meeting them.

A foundation has now been laid in the Office of the DNI for an analysis-based, coherent process to make overall resource decisions, including the acquisition of major technical systems. I was able to present a solid plan to Congress to release escrowed funding for the major technical collection system, and the program is now underway. There is now a system in place that has the essential important organizations and processes for the DNI

to carry out his responsibilities, but it will take continued attention and work to bring it to full effectiveness.

The DNI's role in resource management will be much more important in the future than it has been in the past. Since 9/11 the budget of the Intelligence Community has risen substantially, paralleling the increases in the Defense budget during those years. Tradeoffs are relatively easy to make under conditions of rising budgets. In the future, as budgets level off or actually decrease, it will be more important for the DNI to make the difficult tradeoff decisions and to be able to make those decisions across all the intelligence agencies, supported by deep analysis and a strong staff.

Unfinished Business: Organizational Issues

IRTPA, according to its authors and confirmed by my experience as DNI for a year and a half, was an incomplete step in achieving an integrated intelligence community. There are additional organizational steps that can be taken short of the more radical step advocated by some of forming an independent Department of Intelligence.

There are two fault lines that run through the structure created by the IRTPA - the relationship of the DNI to the intelligence agencies in the Department of Defense, and the relationship of the DNI to the CIA. There is also on occasion tension between the law enforcement responsibilities of the FBI and the intelligence responsibilities of the rest of the Intelligence Community.

Although located within the Department of Defense, which calls them "combat support agencies," I found that the National Security Agency, the National Geospatial-Intelligence Agency, the Defense Intelligence Agency and the National Reconnaissance Office provided top-notch support across government for both policy and effective action. There were at least two major reasons for this.

First, the traditional divide between military and national intelligence no longer exists. In all of the major national security challenges facing the United States, the military objectives and requirements have been intermixed with diplomatic and economic objectives and requirements. The major national intelligence agencies in the Defense Department realize they cannot separate military from civil objectives, that military success depends on an understanding both of the enemy order of battle and the political, cultural, economic and economic aspects of foreign countries; they support both military commanders and units and civilian officials alike with intelligence on all these aspects of the countries and groups the United States is dealing with.

Second, the leaders of the intelligence agencies in the Department of Defense are very broad in their backgrounds and outlooks. They are mostly all senior military intelligence officers with multiple joint operational assignments and first-hand experience in supporting different types of intelligence requirements. They know how to direct their agencies to support a full range of officials in Washington and the field. When I was DNI, I had no stronger teammates in the integration of intelligence across military and

civilian requirements than Generals Keith Alexander and Ron Burgess, Admiral Bob Murrett, and retired General Bruce Carlson.

The major civil/military fault line I encountered was between the Department of Homeland Security and the National Security Agency in the area of cyber security, and I believe an organizational change would make a big difference in resolving it.

The National Security Agency has unmatched size and depth of expertise in cyber security, with the responsibility for protecting DoD networks. The Department of Homeland Security lacks this technical depth, but it has the responsibility for the security of the information networks of most of the federal government and also for the federal role in securing the information networks of the country's critical infrastructure.

DHS needs to draw on the technical skills of NSA to protect government and critical infrastructure information systems. However, there is strong opposition by many in the country and some in the Congress to any role for NSA in these civilian information systems. There is a suspicion that in helping DHS and private companies protect their networks, NSA will gain access to government and private systems to gather information on American citizens illegally. Based on my experience these fears are groundless, both technically and procedurally, but they are nonetheless real. I believe they could be surmounted by the designation of an NSA deputy to report in a dual-hatted relationship to the Secretary of Homeland Security for the purpose of cyber security for government and critical infrastructure networks. Safeguards, both procedural and organizational, could be established to ensure that NSA was not able to gather intelligence through its activities supporting DHS for information security.

A second area in which the relationship between the Intelligence Community and the Department of Defense needs to be improved is in operations against terrorists.

Currently operations against al Qa'ida and other terrorist groups are conducted as traditional military activities (TMA) by the Department of Defense under its Title 10 authorities. Direct action, led by the CIA, is conducted as covert action under Title 50. Over the past decade, the military officers and intelligence officials leading these operations have learned to cooperate well. However, the currently divided authorities take time and inordinate legal and staff work to work out chains of command, they result in one-off arrangements, and on occasion have caused delays in execution that could have resulted in missed opportunities. The operations would be even more effective if they were combined into integrated joint interagency task forces (JIATFs), whose commanders had both sets of authorities and whose staffs combined their expertise and skills. For time-sensitive operations against agile enemies, unity of command, and integration of capabilities is always more effective than stovepiped cooperation.

A new legislative basis for such a joint task force would be necessary - a "Title 60." Under Title 60, for operations against a terrorist group, for example Al Qa'ida in the Arabian Peninsula, either a senior CIA officer, or a senior military officer would command the task force, with the deputy from the other organization. The staff would

include both military and Intelligence Community officers. The task force would have the authority to use all the capabilities of both the Department of Defense and the CIA. It would gather intelligence both through intelligence agencies collection capabilities and military reconnaissance systems; it would command aircraft and drones – either DoD or CIA - for both surveillance and attack missions; it would command special operations strike teams and conventional military task forces; it would work directly with foreign military organizations and intelligence organizations; it would recruit and train paramilitary forces under CIA authorities; it would draw on DoD strengths of planning, resourcing and conducted long campaigns; it would have the budget flexibility and contracting capability of the CIA to come up with quick and imaginative responses to immediate problems.

The Title 60 legislation would have to deal with some of the difficult issues that have kept Title 10 authorities separate from Title 50 authorities in the past. I believe that most of these issues are rooted in Cold War history, and are long overdue for change. For example, these operations would be secret, but would they be covert, that is, would they be conducted under the concept of plausible deniability? That concept, codified in Title 50, was a product of the Cold War, when the United States wanted to be able to take lethal action against the Soviet Union without the risk of escalation should the action be officially acknowledged. It is generally not relevant today for counterterrorist operations, often conducted in areas where weak states cannot enforce their own sovereignty. The raid that killed Osama bin Ladin was apparently conducted as a covert action under Title 50 – I can think of no operation in recent memory that was less intended to be plausibly denied.

Would military forces involved in these operations be subject to the Geneva Convention and enjoy Status of Forces protections? I believe they should. However in reality, the Geneva Convention is of little practical value when dealing with groups like al Qa'ida, al Shabaab and the Haqqani network in Pakistan.

Who would these task forces report to? Like joint commanders in the Department of Defense, these task force commanders would submit plans that would outline their objectives, their strategy, the resources they would require, and the authorities they would exercise. The plans would be fully staffed through DoD and the IC, and would be approved by the President after final staffing by the National Security Council staff. Then in execution, the task forces would report to the President through the National Security Council staff.

Finally, how would Congress be notified? I believe that these operations should be briefed to both defense and intelligence oversight committees. For one operation I can recall during my time as DNI we formed a team of DoD and IC members and explained the operation to the leadership of all four committees. That system worked well in that case, and could be used routinely.

The division of authority between the DNI and the CIA was difficult during my tenure as DNI. Before the IRTPA established the Director of National Intelligence, the Director of

the CIA had the additional job of Director of Central Intelligence, responsible for coordinating the activities of all the different intelligence agencies. In practice, most directors of the CIA found their time dominated by the responsibilities of running the CIA, and in interagency issues, it was the CIA that most often had its way.

Many individuals in the CIA understand the importance of intelligence integration and work constructively with other intelligence agencies and the new DNI organization in a team approach in which the CIA is important, but not necessarily dominant. However, often the CIA has used the leverage and influence it retained from its days of dominance to act independently, undercutting the authority of the DNI and attempting either to gain leadership of community intelligence activities or to act independently of them. The CIA often used its direct relationships with the White House and Congress and its relationships with the intelligence services of other countries for these purposes.

Most of the clashes I had with the CIA came when I challenged its separate means of influence and leverage. When, after careful and prolonged study and consultation, I signed a directive that specified that the CIA station chiefs would in the great majority of cases but not always continue to be the representatives of the DNI, representing the interests of the entire Intelligence Community in dealing with host countries, Director Panetta appealed my decision to the White House. When I attempted to direct a more disciplined approach to the formulation and supervision of covert action activities, the CIA continued to work directly with the National Security Council staff, arguing that any attempt to impose principles, standards and procedures on covert action would impair its effectiveness. In both cases, the White House worked out compromise solutions that left the CIA with a great deal of autonomy and weakened the authority of the DNI.

In addition, the CIA's basic organization acts against the wider national interest in integrated intelligence. It is a unique historical legacy that the national clandestine service, responsible for both recruiting spies and covert action, is in the same agency as the national analytical organization. In most other countries they are separate.

There are important disadvantages to the arrangement: The action-oriented, can-do culture of the national clandestine service dominates and sometimes intimidates the reflective, critical analytical culture of the directorate of analysis. To have the primary analytical organization in the Intelligence Community paired with the organization that gathers human intelligence makes less sense than it did in the past. While human intelligence will play an indispensable role in the future, a greater proportion of intelligence reports will be signals intelligence, gathered by the National Security Agency.

It is time to divide the CIA into two separate agencies - a human intelligence and covert action service, and a central all-source analytical agency - both reporting to the DNI.

For the National Clandestine Service, it is the gathering of human intelligence that should be its primary focus, with covert action a secondary mission. While right now the CIA is conducting a major worldwide campaign against al Qa'ida, this campaign will not

continue forever, and in time covert operations will return to their historically lower and more normal level. In addition, the sophisticated paramilitary capability within the Defense Department, developed since 9/11 by Special Operations Command, is better equipped than the CIA to handle prolonged paramilitary activities, which by their nature will not remain covert for long. Moreover, the Defense Intelligence Agency also gathers human intelligence, and its activities are closely coordinated with the CIA. It would make sense to combine its human intelligence officers into this separate human intelligence agency. Human intelligence provides absolutely vital context, and often-priceless detail for assisting policymakers to make the right decisions in Washington and helping operators in the field to be successful, and we need a separate agency for this mission.

For its secondary mission of covert action, a combined CIA and military national clandestine service should report to the DNI, rather than directly to the National Security Council staff, keeping the DNI and appropriate staff generally informed, as is now the case. Covert action programs under the supervision of inexperienced National Security Council staffers have been the cause of major setbacks to American national security interests when they have gone astray. The President with the assistance of his staff should approve them and be kept informed of their progress, but the responsibility for supervising them, assessing them constantly for success or danger signals should be the responsibility of his confirmed principal intelligence officer, the DNI.

Those who argue against this arrangement cite the importance of secrecy, flexibility, speed and responsiveness of the direct CIA-White House link. These qualities are exactly what have caused disaster in the past, from the Bay of Pigs to black sites. Another layer in the chain of command need not add delay, and can provide constructive supervision and protection of the country's and a President's long-term interests. The Department of Defense conducts equally quick, flexible and sensitive special operations under the Secretary of Defense and his staff without the Special Operations Command reporting directly to the White House.

The Directorate of Analysis of the CIA is the most capable all-source analytical agency in the intelligence community. Despite the major well publicized mistakes in analysis that the CIA has made, most recently the National Intelligence Estimate on Iraqi Weapons of Mass Destruction, policymakers with good cause and for many years have valued the analytical skills, databases and deep expertise of the CIA. A separate, all-source analytical agency reporting directly to the DNI would be a very positive step. As part of such reorganization, part of the all-source analytical capability of the Defense Intelligence Agency should be incorporated into this organization. As explained earlier, the previous distinctions between national and military intelligence have been erased with the end of the Cold War, and to combine military and civil analysts into a single all-source analytical organization that would support both civilian and military policymakers and operations in the field would be a major step forward.[3]

[3] The Defense Intelligence Agency funds and manages most of the specialized analytical support of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the combatant commanders and other officials and offices in the Department of Defense. These analytical resources should remain in DIA.

Unfinished Business: Cyber

The explosive growth of information technology affects the Intelligence Community more than any sector of the national security system.

First, the information revolution has affected intelligence collection. By sheer volume, it is the National Security Agency that collects and publishes the most intelligence, and the proportion is constantly increasing. The three challenges in this area are (1) gaining access to the databases and communications locations where the most valuable intelligence can be collected, (2) storing the huge volumes of information collected, and then (3) sorting out the important from the background information.

Despite the difficulties of access, volume, and relevance, there have been countless successes in collecting information to save American lives and inform American policies. However, the volume of information and complexity of the global communication system are continuing to grow exponentially, as are adversary defensive measures. We need to work harder to maintain the same access and understanding.

My primary responsibility in this area was to ensure adequate funding for developmental programs to ensure continued access and better capabilities to overcome adversary protective capabilities, store information, and sort the important intelligence insights from the background information. Continued major investments will be necessary.

The second major area in which the Intelligence Community has been powered by the information revolution has been in access and collaboration. Today's intelligence analyst has better access to the work of predecessors and to colleagues and greater ability to interact with those whom he or she supports, than ever before. Analytical jobs that took weeks can be done in hours. We are adapting many commercial tools and building our own. When I became DNI, there was an Analysis Space project known as A-Space on which communities of interest of intelligence analysts spontaneously formed around tough questions. In addition, a major effort was underway to store all finished analysis by all agencies into a single electronic Intelligence Library and to make all this intelligence analysis available to all authorized users. The challenge was to build a system of authorizing users and to ensure that there was adequate audit capability to detect misuse.

The drive for continued progress and to develop new ways to collaborate, share information, and interact across agencies is uniquely the responsibility of the DNI. Like so many desirable improvements to the overall intelligence community, there is little incentive for an individual agency to take the initiative or spend the resources to advance the common good - it is up to the DNI to take the lead.

The third area in which the information revolution profoundly affects the Intelligence Community is counterintelligence. The United States keeps more of its classified information in electronic databases, accessible by more communications networks, than any other nation. Our adversaries know it, and more and more of their espionage efforts

are to penetrate these networks and databases. Their capabilities go from simple hacking on the Internet and recruiting American officials with access to implanting trapdoors at the chip and operating system level. The Director of National Intelligence is the country's chief counterintelligence officer, responsible not only for protecting our intelligence information, kept in the networks of the Intelligence Community, but for stopping foreign espionage organizations from stealing any of our secrets - military, diplomatic, economic.

Coming into office in 2009, I found that our counterintelligence capabilities fell short. I convened a special advisory panel chaired by former Director of the FBI Louis Freeh. This panel made a number of very useful recommendations, and I implemented all of them. As I left office, I felt much better about our capability and about the prospects of being able to defend our systems against foreign espionage, but this is an area that requires continued attention and effort. There is no ultimate solution, no hardware or software system that will be impenetrable. The only answer is a continuing counterintelligence effort by very skilled intelligence officers, adequate resources, and continued DNI attention and emphasis.

There is a final cyber area in which there is important policy work to be done - computer network attack. It was one of the more difficult and frustrating subjects of my time as DNI.

The specific details of the computer attack activities and capabilities of the Intelligence Community are classified. However it is both possible and important to understand the principles involved at an unclassified level. The United States needs to decide when and how to employ this potentially effective means to defend itself.

Our adversaries are using the internet against us – jihadist web sites spew anti-American venom and encourage suicide attacks; al Qa'ida operatives use the internet for surveillance of American targets, planning of attacks, and communications to conduct the attacks. If the Intelligence Community has the capability to stop or slow down this activity, we should do so.

However, determining the legally authorized basis, the responsibilities within the government, and the process for planning and conducting these attacks is far from settled. Because the global communications system is so new, interconnected among foreign and American persons and companies, and continually evolving, the Department of Justice has been unable to provide a practical and durable legal basis for computer network attacks. They do not fit into the established categories of either traditional military activities or covert action. Computer network attacks can cause collateral damage, from slowing or denying internet service to many users to permanent damage to computer control systems, and the internet is so complex it is difficult to predict all the collateral damage in advance with precision. It is not surprising that the US Government has moved slowly.

The problem is that the technology and our adversaries are not similarly inhibited and that we risk falling behind both the threat and the opportunities. Both in the Executive Branch and in the Congress we must develop working approaches to computer network attack and learn as we go. We cannot wait for complex legal opinions that are impossible to turn into real operational capability; we cannot decide on roles and missions on the basis of bureaucratic rivalries, and we need to experiment with low-risk but useful operations to build the capability and the understanding to take full advantage of this powerful capability. The Director of National Intelligence, as well as the Secretary of Defense and the Attorney General, must drive this issue, which ultimately will require White House decisions and Congressional authorization.

Unfinished Business - National Intelligence

Our border defines the responsibilities of American foreign-oriented intelligence agencies on the one hand, and domestic law enforcement and security agencies on the other. Intelligence agencies, with rare and carefully authorized and supervised exceptions, do not operate within this country. They do not spy on Americans. The domestic government agencies operating in the United States and authorized to investigate American citizens[4] protect Americans under well-established procedures for safeguarding their privacy and civil liberties.

Al Qa'ida and its affiliates have members, "wannabes," and sympathizers in the United States, who travel into this country to conduct surveillance, plan attacks, and carry them out, and are increasingly using American citizens and U.S.-based information systems in their planning and operations. These deadly enemies of the United States flow freely across our borders.

The government-wide challenge that 9/11 so tragically illustrated is to detect and track threats to the United States through the integration of the geographically defined capabilities and activities of all intelligence and law enforcement organizations. A great deal of progress has been made since then to share information. In the case of David Headley, for example, the American who was allegedly involved in planning the LeT attack in Mumbai, the FBI and the other intelligence agencies shared information and coordinated actions smoothly and quickly. A careful review of the nearly successful Christmas Day 2009 bombing over Detroit concluded that information was shared among intelligence agencies.[5]

One of the most important authorities given to the DNI in IRTPA is the responsibility to define what constitutes "national intelligence" under the guidance of the Attorney General. Under this authority, the DNI can designate information collected anywhere

[4] Law enforcement organizations with major intelligence capabilities include the FBI, the components of the Department of Homeland and Security and state and local law enforcement organizations.

[5] The failure to identify Abdulmutallab before he boarded the flight to Detroit was due to a combination of mistaken leadership decisions on assigning analysts to the threats coming out of Yemen, technical limitations of information systems, and the difficulty of picking out the important clues from the great torrent of data engulfing analysts.

within the federal government as national intelligence, which means that it can be shared with all other intelligence agencies and used in analyzing threats to the country.

The most valuable national intelligence is the huge collection of databases of routinely collected government information that can be searched by computer algorithm. For example, an analyst may know that a potential terrorist attacker with the first name of George is between 23 and 28 years old, has lived in Atlanta, Georgia, recently, and has traveled often to Yemen. That analyst would like to be able very rapidly to query the travel records of the Customs and Border Protection Service, the investigative records of the Atlanta Police Department, the visa records of the State Department, and dozens of other government databases to learn George's full name, current location, and whether he has been involved in any other suspicious activity. Right now our analysts can conduct some of these database searches, but not all; some are one-click operations, but many are very complicated. The algorithms available to help in that search are inadequate to the volume of data that must be screened.

Despite these difficulties, there is a great deal of sharing of intelligence and information across the foreign intelligence/law enforcement divide, and progress is made every month. The FBI contributes thousands of intelligence reports to counterterrorism databases every year, and state and local law enforcement organizations also forward suspicious activity reports to NCTC and other organizations. However, we are still far from the point at which an intelligence analyst can quickly and easily find all relevant information with a single query.

Expanding the scope of national intelligence raises important privacy and civil liberty concerns. Government officials at all levels collect enormous quantities of information about Americans and visitors to this country in the course of doing their jobs. Should this information be readily available to intelligence analysts so that they can ferret out the few Americans who threaten the rest?

It is the responsibility of the DNI to use his existing authority to the fullest and to make the case for additional sharing, under careful privacy and civil liberty safeguards, to protect the overwhelming number of law-abiding Americans from the few who either cooperate with foreign organizations or are inspired by them to kill and harm. It is also the responsibility of the DNI to provide the resources and drive the technology of improved sharing and searching of the huge amount of data available so that the limited number of analysts can find the key pieces of information and put them together.

I did not have enough time as DNI to widen the definition of national intelligence, to increase the timely flow of information among foreign intelligence and domestic agencies, nor to improve the technical means to do so. We made important progress after the December 2009 attempted bombing of an aircraft over Detroit, but there is much more to be done.

As with so many additional steps required in intelligence reform, a strong and aggressive DNI, with support from the White House and Congress, is necessary for progress.

Unfinished Business: DNI Authorities

The direction for continuing intelligence reform for the United States is clear: a more integrated but still federated system led by a strong Director of National Intelligence supported by an experienced and innovative staff.

As DNI, I could have led this process had I enjoyed the support of the President and his staff. However, their past experience, priorities, and the White House-centric style of national security governance never offered me the opportunity.

With a supportive White House and Congress, however, real possibilities open for progress. Most of the authorities to continue integration already exist either in the IRTPA or in the implementing Executive Order 12333. However, several additional authorities for the DNI in the areas of personnel and budget and the ODNI staff would speed integration:

Personnel

Senior personnel appointments in the intelligence agencies are one of the keys to successful integration. The joint duty provision of the IRTPA makes it mandatory that an intelligence officer completes an assignment outside his or her parent agency to be promoted to the senior ranks. This provision will raise the overall level of joint commitment by senior leadership, but there needs to be individual consideration of the very top leaders.

The IRTPA requires the concurrence of the DNI for the appointment of the top leaders of all the sixteen intelligence agencies or entities. I recommend that the concurrence of the DNI also be required for the second- and third-level positions. It is these officials who are the keys to integrated intelligence once the top leadership has set the direction. The DNI needs to ensure that there are community-minded officers leading the individual intelligence agencies. This provision could be established either by legislation or by executive order.

The director of the CIA is a special case. The IRTPA grants the DNI the authority to recommend the CIA Director to the President. In practice this has been the case only once, when DNI Negroponte recommended General Michael Hayden as the CIA Director. In 2008 the President-elect consulted me in the process of naming a CIA Director, but the input of his campaign staff was more important than mine.

The CIA Director (or the directors of the two organizations I recommend take the place of the CIA) should be a career officer and serve for a fixed term. The CIA is a complicated, sensitive organization, and an officer who knows it from years of service,

has credibility and an instant following in the organization, yet has ideas for how it needs to improve and work with the rest of the Intelligence Community, would be the best leader. Historically, experienced CIA officers have been among the best directors - Robert Gates, William Colby, Richard Helms. A professional CIA Director concentrating on running and improving the Agency would more likely work more smoothly with a DNI who brought outside skills and perspectives. There are several senior CIA officers in the Agency right now with the potential to be outstanding directors.

I recommend legislation mandating that the CIA Director be a career CIA officer recommended by the DNI and appointed by the President for a fixed term, and that the CIA be split into an all-source analytic agency and a clandestine and covert service, both headed by career officials appointed for a fixed term and under the DNI's direction, authority, and control.

There is a single sentence in the IRTPA stating that the Director of the CIA "shall report to the Director of National Intelligence regarding the activities of the Central Intelligence Agency." This sentence needs to be strengthened with specific language specifying that the Director of the CIA submit plans and reports on all its activities to the DNI for approval before they are provided to the White House or to Congress, and that the Director of the CIA will seek the approval of the DNI for significant communications with the intelligence services of other countries. It was in these areas that I found that the CIA exercised a degree of autonomy that both undercut DNI authority made policy without formal consideration of the DNI or the National Security Council.

Budget Authority

The authors of the IRTPA thought that they were providing the DNI with one of his most powerful tools in his budget authority. The reality, like much of IRTPA, is that the tool has not been used to its fullest, and is limited.

One reason budget authority has not been exercised has been that the growth of overall intelligence funding over the past 15 years has made financial discipline unnecessary. It is likely that budgets will be much more constrained in the future, and tradeoffs essential. Another reason has been the lack of a strong analytical capability to support budget decisions. As described earlier in this article, by the time I left the DNI post, there was a planning and programming capability in place.

The DNI and his Chief Financial Officer have less authority than the Defense Department's Secretary and Comptroller. If we are to have an integrated Intelligence Community, then it will be essential that the DNI have a comparable level of authority.

I recommend giving the DNI full comptrollership authority. This would mean that agency heads could not bypass the ODNI in dealing with either OMB or with the congressional authorization and appropriations committees. Of course there would be information flow

between the agencies, OMB, and Congressional staff, but it would require discipline by OMB and the committee staffs always to deal through the DNI.

With full comptrollership authorities, the ODNI could use budget resources effectively across the community. There are many cases in which money should be moved from one agency to another in order to solve common agency problems. The DNI has rarely been able to accomplish this function, especially in the year of execution, and then to monitor and enforce successful solution of the problem. The only way in which common agency problems have been solved is with additional money granted by the Congress. The agencies are in the habit of requesting additional budget allocations when receiving assignments. An Intelligence Community comptroller would simply move the money based on the best analysis available and DNI decisions.

For example, if the DNI designates the CIA the executive agent for network audit capability within the Intelligence Community, there should be an implementing fiscal plan that takes the resources currently being spent on this function from the other agencies and transfers them to the CIA, which would then be responsible for the delivering the audit capability. Budget-based transfers like this are a rarity now, but they will be crucial in the future as overall intelligence funding is reduced, as seems likely.

I recommend that Congress grant and OMB directives confirm the DNI's authority to transfer National Intelligence Program funding across agencies throughout the budget cycle.

Finally, I recommend transferring the funding under the military intelligence program (MIP) in the Department of Defense budget to the national intelligence program (NIP) in the DNI budget. Before I left, James Clapper, then the Undersecretary of Defense for Intelligence (USDI), and I made great strides in coordinating the MIP/NIP actions. For example, we split-funded several important programs, issued a single planning guidance document, and included both Defense and the Intelligence Community in major studies. However, the MIP is subject to DoD decisions that have nothing to do with intelligence - the OSD Comptroller can subject it to overall DoD taxes, or can overrule agreements that have been worked out between the DNI and the USDI. There still would be cooperation between DoD and DNI on many classified programs, but the funding for intelligence should all come through the DNI and the national intelligence program.

History is not a good guide to the importance of these provisions. In the recent past, with growing budgets, DNI concurrence has been required on supplemental budgets, reprogramming, and the major budget actions. However, in practice, the authority has been largely to shape and approve agency initiatives. In future, as budgets level or decrease, it will be time to enforce tough choices, and this is where the DNI authority will be important.

In Conclusion

2011 is the right time to strengthen the national commitment to an integrated intelligence community, led by a strong DNI supported by a skilled staff. The groundwork for this progress has been laid in the past five years, and the future steps needed are clear. I urge this committee to strengthen the 2004 Intelligence Reform and Terrorism Prevention Act of 2004 to make a good Intelligence Community even better.