

Testimony of

Dr. John Gannon

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Statement
of
John C. Gannon
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Good morning, Mr. Chairman, and members of the committee. Thank you for the opportunity to participate in this important hearing on the FBI. I have great respect for the Bureau as a Federal law enforcement agency, and strong admiration for FBI officers with whom I have worked over the years. FBI officers are working hard today in the most challenging environment they have ever faced under an able Director of legendary energy, dedication, and integrity. They are not helped by outside carping. I am sensitive to this. But the debate about a domestic intelligence capability--analysis and collection--is important to our national security, and I believe the core of that debate should be public.

This written statement to the committee draws heavily on input I made to a recent Century Foundation task force. The views expressed are my own. They are shaped by my professional experience working with the FBI during a 24-year career at CIA, during a brief stint as the team leader for intelligence in the Transition Planning Office for the Department of Homeland Security (2002-2003), and during a two-year tour as the first Staff Director of the House Homeland Security Committee (2003 to 2005). They also are influenced by my long experience building and managing analytic programs in the Intelligence Community, where I served as CIA's Deputy Director for Intelligence, as Chairman of the National Intelligence Council, and as Assistant Director for Analysis and Production.

I should point out that I have been working in the private sector for the past year, and have not had the close contact with the Bureau that I previously enjoyed. I concede that my perspective, therefore, is not as fresh on every point as I would like. In drafting this paper, I have opted for candor over caution and have some critical things to say. I do this as a former insider who is open to the charge that I could have done better at my series of jobs at CIA, the White House, and on the Hill. I accept this.

The salient fact is that, approaching five years after 9/11, we still do not have a domestic intelligence service that can collect effectively against the terrorist threat to the homeland or provide authoritative analysis of that threat. It is not enough to say these things take time. It could not be clearer from the Intelligence Community's experience over the past 25 years that it is extraordinarily difficult to blend the families of intelligence and law enforcement, and that the Bureau's organizational bias toward the latter--for deep-seated historic reasons--is powerful and persistent.

? Looking at where we are, we should be asking why it is so hard for the FBI to develop a national intelligence capability, and opening ourselves to the possibility that we have asked too much of an otherwise capable criminal-investigation agency. We should be looking seriously at other options.

? Looking at where we want to be, we also should be viewing domestic intelligence in the much broader context of US intelligence transformation, of the growing interlinkage of all our intelligence agencies, and of the globalization of intelligence and the threats that drive it. All this calls for unprecedented collaboration across US government agencies and a commitment to state-of-the art information technology--neither of which, in my experience, is a strong suit of

the FBI.

I argued for some time after 9/11 that the FBI was the appropriate agency to develop a domestic intelligence capability, partly because of my aversion toward a new domestic intelligence agency, but even more because of what I clearly saw as the growing interconnectedness of intelligence and law enforcement, especially in combating transnational issues. I still have trouble letting go of that notion. But, watching the FBI struggle with its new national intelligence mandate and recalling earlier interagency "culture wars" in my career, I have changed my mind. I now doubt that the FBI, on its present course, can get there from here.

My view today can be encapsulated in the following six points:

? First, the FBI has made some progress on intelligence. I distinguish between the Bureau's traditional law-enforcement mission and its new national intelligence mandate. In the first instance, I believe that the FBI is increasingly using intelligence collection and analysis, including in its new Field Intelligence Groups, against the increasingly complex issues associated with its criminal-investigation mission. The Bureau should be encouraged in this path--intelligence that benefits a Special Agent in Charge can also be useful at the national level.

? The FBI is unacceptably behind, however, in developing a national intelligence collection and analytic capability. The Bureau has not structured an intelligence collection requirements process that legitimate consumers can readily tap, and it is not, to my knowledge, producing, on any predictable basis, authoritative assessments of the terrorist threat to the homeland. These are serious gaps. It is a good thing that the Bureau's law-enforcement culture is being enriched by intelligence. It is not a good thing that law-enforcement continues to trump intelligence in the effort to build a domestic intelligence capability.

? Even if the FBI were doing better on this domestic intelligence mission, I believe we would find that the mission in today's information environment is much bigger than the FBI, and well beyond its resources and competence to carry out. Domestic intelligence today is about protecting the US homeland from threats mostly of foreign origin. It does involve the FBI's law-enforcement and counterterrorism work, but it relates more to the establishment of a national intelligence capability integrating Federal, state, and local government, and when appropriate, the private sector in a secure collaborative network to stop our enemies before they act and to confront all those adversaries capable of using global electronic and human networks to attack our people, our physical and cyber infrastructure, and our space systems. These adversaries include WMD proliferators, terrorists, organized criminals, narcotics traffickers, human traffickers, and countries big and small--working alone or in combination against US interests. I see the FBI, on its present course, as a contributor to this vital effort--but not as the leader of a new model of collaborative effort in the information age. .

? Domestic intelligence, moreover, should be viewed as an integral part of US Intelligence Community reform. The connection between foreign and domestic intelligence must be seamless today because the threats we face know no borders. The challenge is government wide, has historic roots that long precede 9/11, and must be concerned, as I have suggested, with a range of deadly threats to our national security largely from abroad and not restricted to international terrorism. The domestic piece must be an essential part of the transformation of US intelligence driven by the Director of National Intelligence (DNI), the Secretary of Defense, the Attorney General, and the Secretary of homeland Security. That coordinated effort today--which, in my view, needs stronger, sustained direction from the White House and the Congress--should be moving, as a top priority, to unify strategies, to clarify roles and responsibilities across competing agencies, and to reduce the IC's bloated bureaucracy--which is today larger than ever.

? The status quo is unacceptable. The two courses I suggest to get us moving forward, neither an easy fix, would require some shift of Federal Government resources and authorities and strong leadership from the Executive and Legislative branches.

o First, if the FBI is to remain the agency of choice in developing a domestic intelligence capability, it will need much stronger and clearer direction and much closer oversight from the Executive and Legislative branches on the much bigger and faster structural steps it needs to take. The urgent objective must be to develop an intelligence capability that is not subordinated to the Bureau's criminal investigation mission and that is based on a level of collaboration--

including with non-government experts--unprecedented in FBI history. I will not say that it cannot be done, but the evidence to date suggests otherwise.

o The second suggestion, which takes some explaining, is to give the lead on domestic intelligence to a resuscitated and revitalized Department of Homeland Security (DHS) with the resources and authorities that the Homeland Security Act of 2002 intended--but were never provided. That Act, I believe, rightly recognized that the domestic intelligence mission requires a new collaborative model, not just new rules for old games among legacy agencies. DHS's small and under-resourced Office of Intelligence is, by design, a collaborative enterprise involving multiple Federal, state, and local agencies. DHS itself has the mandate for outreach to the private sector and to non-government sources of information and expertise--which is made easier because the larger Department is neither a law-enforcement nor an intelligence agency. Conceptually, I believe DHS could succeed as the coordinator of domestic intelligence. And its prospects for success would increase significantly if the Department established regional organizations across the country--which are essential to the collaborative model I describe. But this will never happen unless the White House and Congress, altering their current posture, push hard for it.

? Finally, I would argue strongly against the creation of a new, stand-alone domestic intelligence agency. When asked why we have not had a terrorist attack on US soil since 9.11, I give three reasons. First, the President's early decision to go after the terrorists wherever they could be found in the world weakened their capabilities and served as a powerful disincentive to strike us again. Second, the preventative and protective security measures taken by our Federal, state, and local governments--coordinated and not--have made it harder for terrorists to operate here. And, third, I believe that the hard-won Constitutional freedoms enjoyed by Americans, along with our unparalleled commitment to civil liberties embedded in law, work against the development of domestic terrorist networks that could be exploited by foreigners. In this context, America stands in marked and magnificent contrast to many of the regimes I covered daily and experienced on the ground as a CIA analyst. When I think through the implications of a nation-wide domestic intelligence service under the control of the Executive Branch, I conclude that it is neither needed nor desirable in our society. At best, the proposal is premature.

The Changing Threat

Today, the threat to the US homeland is global in nature and our response must integrate foreign and domestic intelligence as never before. Al Qaeda's attacks in New York, Pennsylvania, and Washington on 9/11 revealed that Osama bin Laden had developed-- below the radar of US intelligence--a human and electronic network across some sixty countries, spanning from the pre-modern world of Afghanistan to the post-modern world of Europe and the United States. Al Qaeda's flat network defeated a vast US government hierarchy that was not networked, including both our foreign and domestic intelligence agencies. The terrorists knew more about our world, and how to train and operate in it, than we did about theirs--the classic recipe for an intelligence failure. By any reckoning, the US government was not prepared to protect its people, not only against international terrorism but against the potential exploitation by any of our adversaries of global, IT-driven networks.

Domestic intelligence today must be global in perspective, collaborative to the core, and thoroughly networked to bring together the most reliable information, the best expertise, and the most advanced capabilities--in real time--to deal with today's dynamic, distributed, and dangerous threat environment. It must have state-of-the-art, multi-level-security communications to support a broad range of activities from assisting a big-city police officer to pursue sketchy intelligence leads in a gritty subway to helping expert analysts to track potential cyber attacks in a chrome-plated, plasma-screened national center. Domestic intelligence, in this context, should be seen as a critical element of the US Government's long-term transformation driven by the geopolitical and technological revolutions of the post-Cold War period.

Antecedents

The domestic intelligence challenge is not new, a critical point that both the 9/11 Commission and the WMD Commission missed in their failure to provide balanced historical perspective. The challenge long predates 9/11. It relates to the three distinct but intersecting revolutions faced by the Intelligence Community-- including the FBI--over the past twenty years, which have encouraged trends that continue today. I focus briefly on this because I believe these revolutions, with or without 9/11, demand dramatically new and different models for US intelligence--not legacy makeovers.

The first revolution was geopolitical. It swept away the Soviet Union, transformed the face of Europe, and forced the Intelligence Community to confront a new, dispersed global threat environment in which non-state actors, including conventional and cyber terrorists, narcotics traffickers, and organized criminals, operated against US interests across national borders, including our own. The second revolution involves technology, primarily information technology, but also the rapidly advancing biological sciences, nanotechnology, and the material sciences--all bearing good news and "dual-use" bad news for America and mankind. The third revolution relates to homeland security. This is not just about the alarming proximity of the threat, but even more about the new national security stakeholders it brought to the fore, "first-responders" with a legitimate need and justifiable demand for intelligence support.

The IC, the policy community, and the Congress actually began to respond to this new, distributed threat environment in the mid 1980s, with the pace picking up dramatically in the ensuing decade. The FBI was involved at every turn. The DCI established the Counterterrorism Center (CTC) at CIA in 1986, followed thereafter by the Counternarcotics Center and several iterations of a counter-proliferation center--all mandated to focus collection, integrate analysis, and promote information sharing. Both CIA and DIA reorganized their intelligence units to meet new threats and enable technology in the mid 1990s. The FBI took similar steps later in the decade. The White House in 1998 established the position of National Coordinator for Security, Infrastructure Protection, and Counterterrorism.

Advancing technology drove the controversial creation of the National Imagery and Mapping Agency (NIMA) in 1996. NIMA (later named National Geospatial-Intelligence Agency--NGA) launched a major push to get ahead of the geospatial technology curve, while the National Security Agency (NSA) began a fundamental transformation to adapt to the global revolution in communications technology. In 1998, the Ballistic Missile Commission, headed by Donald Rumsfeld, included with its report a "sideletter" critiquing IC analytic performance that was an impressive blueprint for reform. The FBI significantly increased its overseas presence and, prodded by the Webster Commission, developed a five-year strategic plan in the late 1990s that included goals to develop a comprehensive intelligence collection and analytic capability. Late in the decade, it established separate counterterrorism and counterintelligence centers.

The point I want to emphasize is that the FBI, as I observed it first hand, was acutely aware of an intelligence world turning upside down. It was closely involved in the establishment of the IC centers. DCI William Webster came from the FBI to CIA in 1987, where he issued a forward-looking -and, I believe, historic--directive that prohibited analysts who were directly supporting operations from providing the authoritative assessment on the impact of such operations. FBI leaders persuasively argued for the development of analytic capability in the Bureau during a strategic planning process in the late 1990s about the same time FBI launched its counterterrorism and counterintelligence divisions. The FBI also participated with IC analytic units in the work of the Community-side National Intelligence Producers Board, which did a baseline assessment of IC analytic capabilities and followed it up early in 2001 with a strategic investment plan for IC analysis.

The investment plan flagged to Congress the alarming decline in investment in analysis across the Community and the urgent need to build or strengthen interagency training, database interoperability, IC collaborative networks, a system for issue prioritization, links to outside experts, and an effective open-source strategy. The consensus, which included FBI, was strong that the IC needed to transform, and it was transforming--but neither fast enough nor in alignment with the unfocused and fast-changing priorities of the White House and Congress.

The FBI's leadership, as I saw it, was committed to transformation but its commitment seemed to flag over time. Its early post-war determination to share information and push the "wall" on information sharing between intelligence and law enforcement was set back by the sensational Ames, Nicholson, and Hanson espionage cases. And, to a large extent, I understood and accepted the reasons for this. In the larger culture war, however, I believe that change agents simply lost out to classic agents who successfully resisted reform to Bureau policies and practices. The need to transform against a new threat environment was well recognized, but the goal of establishing a distinct intelligence career service for analysts and collectors, with their own budgets and chains of command, did not get off the ground. To enhance collaboration, a small handful of Terrorism Task Forces (JTTFs) in the early 1990s grew to over 120 today, but I heard complaints that they, with some notable exceptions, were inadequate because they "served up" in the Federal bureaucracy much better than "down" into vulnerable localities where vital intelligence needed to be collected.

Four trends were clear as the IC entered the twenty-first century, and they all appear irreversible today. In one way or the other, they relate to America's current efforts to reform its intelligence services and to the particular challenge of domestic intelligence.

First, agencies were beginning seriously to respond to the growing impact of globalization. Globalization--the interconnectedness of networks moving information, culture, technology, capital, goods, and services with unprecedented speed and efficiency around the world and across the homeland--came to be seen not as a passing phenomenon but as the defining reality of our age. In a shrinking world of communications, foreign and domestic intelligence know no borders. This is not to say the whole Community wholeheartedly embraced technology to enable transformation nor that the White House or Congress made this a priority. But the direction was set. And the glaring technological shortcomings of HUMINT collection, the FBI, and local law enforcement came into sharp relief.

Second, pressures within the IC increasingly were toward decentralization, not the centralized, "one-stop-shopping" models--including some ambitious interpretations of the National Counterintelligence Center (NCTC)--generally favored by Washington. The demand grew among diplomats and "warfighters" for a distributed model of collection management and analysis, because they were dealing increasingly with diverse transnational threats close to their locations. And they were aware that technology existed to reduce dramatically the "distance" between the producers and users of intelligence. Combatant commanders, often playing the diplomat's role, demanded real-time intelligence support and insisted that they have their own analysts in place. While Federal agencies moved slowly and the FBI lagged behind, the defense community accelerated its transformation with the same determination that would later be shown after 9/11 by homeland "first responders."

-- Third, DoD, in this environment, gained increasing influence in IC forums and debates, including on budget priorities. The Congress in the late 1990s created the positions of Deputy Director of Central Intelligence for Community Management (DDCI-CM), and assistant directors of collection and analysis and production, all of which were resisted by CIA and inexplicably underutilized by the DCI to run an increasingly complex Intelligence Community. By sharp contrast, the Secretary of Defense successfully lobbied, against surprisingly little IC resistance, for the creation of an Undersecretary of Defense for Intelligence position, which was approved in 2002, adding more heft to what already was the IC's thousand pound gorilla. Significantly, the defense community got out ahead of the national community in calling for--and developing--both centralized and decentralized networks that would bring analysis and collection capabilities closer to military personnel on the front lines. The DoD turf grab further wounded a weakened CIA and eventually raised concerns about military involvement in domestic intelligence, but it also responded to real, unmet defense community requirements for improved analysis and collection management.

--Fourth, blue-ribbon commissions in the late 1990s, as well as the IC's own strategic work, recognized the growing need for a homeland security strategy, including for domestic intelligence, against catastrophic threats from terrorism, WMD proliferation, and cyberspace. It also stressed the vital role of the private sector as a source of critical information and solutions to hard security problems. Serious worries about the state of US homeland security long predated 9/11. In 1996, the Critical Infrastructure Commission pointed out how vulnerable we were to attack, and the Bremer, Gilmore, and Hart-Rudman Commissions were eloquent well before 9/11 in flagging our lack of preparedness for a terrorist attack--including the glaring shortcomings of both foreign and domestic intelligence.

What have we done since 9/11?

Since 9/11, we have created a large Department of Homeland Security; a Terrorist Threat Integration Center, later transformed into a more muscular National Counterterrorism Center; an FBI Directorate of Intelligence to staff and train analysts, an FBI National Security Program integrating the Bureau's three intelligence divisions, a Bureau-controlled Terrorist Screening Center to integrate terrorist watch lists; and a Director of National Intelligence to restructure the IC--an impressive array of new organizations. We have done more to protect our airspace, ports, and borders than at any time since World War II, though, in the absence of strategy, we have struggled to establish priorities--as Hurricane Katrina revealed-- and to discipline spending. State and local governments have improved their security sometimes on a regional level, often in unprecedented collaboration across jurisdictions. On the offensive, we successfully pursued terrorists relentlessly at home and abroad, which is arguably a major reason why we have not had another attack to the homeland. The importance of these hard-won achievements should not be diminished.

But in a period of extensive government restructuring, we have not--nor could we have--hit the intended target every time. Small things have been neglected forgivably in an overly ambitious agenda, and so have some big things like adequately resourced programs for cybersecurity, biosecurity, critical infrastructure protection, government-wide information sharing, and domestic intelligence. And sometimes both the Administration and Congress have missed critical targets by a long shot, as Hurricane Katrina revealed in the fall of 2005. In New Orleans, DHS failed on its fundamental commitment--which I now believe exaggerated its potential from the get-go-- to coordinate Federal, State, and local preparedness. And the Congress, in a bloated 2005 Transportation bill larded with pork, completely missed the glaring infrastructure vulnerabilities in the Gulf. Before Katrina, we knew we were not where we should be in protecting America. Katrina showed we were much worse off than we thought.

Since I am prepared to argue that DHS could be the hub of a collaborative domestic intelligence service, I need to explain why the Department has been such a disappointment thus far. DHS, whatever its shortcomings, was the first answer of the Administration and Congress to the question of how to construct an overarching structure to integrate and focus government on homeland security. The Homeland Security Act of 2002 positioned DHS to play a leading role in enhancing US counterterrorism capabilities and in establishing the architecture for domestic intelligence. While not collecting intelligence, DHS would fuse terrorism-related intelligence from all sources in its mission to integrate foreign and domestic analysis of the terrorist threat. It would provide threat information to the twenty-two agencies integrated into the Department; to state and local governments; and, when appropriate, to the private sector. It would collect actionable information from them, and would produce integrated threat analysis to help prioritize the protection of America's critical infrastructure. It would be a key leader in promoting information sharing across the US Government. It would be the Federal coordinator of critically needed programs to address the threats of cyber- and bio-terrorism.

The core mission of DHS was to develop new capabilities to prevent another catastrophic attack on the homeland, to prioritize the protection of our critical infrastructure, and to improve our national--Federal, state, and local government--response if an attack should occur. Making America safer through new capabilities took precedence over the merger-and-acquisition questions related to standing up a 180,000-member department in the largest US Government restructuring in half a century. FBI would collect intelligence within the homeland, while the Department would be the primary integrator of intelligence from all sources and the primary analyzer of the terrorist threat to the homeland. It would also serve the IC, President, and the Congress as an indispensable evaluator--an upscale "team B"--of all intelligence inputs into its terrorism threat analysis. The DHS intelligence organization would compete with other agencies in senior expertise, not in numbers. With a broad information-sharing mission well beyond intelligence, it would be uniquely positioned to collaborate with non-government experts anywhere in the world.

While the design may have been imperfect, the execution was surely flawed. DHS stumbled from the start and, after three years of trying, has not achieved compliance with the Homeland Security Act. Congressional oversight has been uneven and largely unfocused. Both House and Senate committees, including the intelligence overseers, generally have fought harder to strengthen their own fractured jurisdiction than to coordinate a constructive approach to DHS and its vital national security mission.

We now have abundant data to assess DHS's and the IC's performance since 9/11. These include multiple Congressional hearings and investigations, reports from the the Office of management and Budget, the General Accountability Office, the Congressional Budget Office, the Congressional Research Staff, various Inspectors General, think tanks of every political persuasion, and the media with its growing access to former Administration officials. The IC story is disappointing but still with hope under the DNI. For DHS, it is largely a chronicle of a few victories made hard to achieve and many failures that should have been avoided.

President Bush's surprising announcement in his January 2003 State of the Union address of the creation the Terrorism Threat Integration Center (TTIC) was a well-intentioned and legally defensible initiative to promote sensitive intelligence sharing among key intelligence agencies. And it had immediate political appeal, including among leading Democrats as well as Republicans in the Congress. But it also was an alarming rejection of an urgently needed, overarching model for interagency collaboration that would not be easily replaced--and, in fact, never was. In resource terms, it was a body blow to the not-yet-functioning DHS, which had just been given comparable responsibilities for fusing intelligence and integrating foreign and domestic analysis under the freshly minted Homeland Security Act. Agencies that had committed to provide detailees to the fledgling Department backed off to husband scarce resources. Congress was surprised and confused and found many other reasons to be

disappointed by White House restraints on the Department, especially its reluctance to provide DHS's intelligence component with the facilities, infrastructure, connectivity, and personnel it need to do its job. But, with some exceptions, its own oversight rarely approached a rigorous standard.

Since 9/11, Congress has consistently favored creating new "boxes" rather than fixing or eliminating the old ones--without seriously assessing the cost to existing critical programs. Structure itself, in my experience in the IC, is rarely either the cause or the remedy for performance problems. In the effort to stand up new structures after 9/11, Congress did not baseline existing IC resources. It created new centers while pulsing up rather than consolidating old ones. It unintentionally encouraged the stretching of scarce analytic resources literally to the breaking point, the dispersal of valuable expertise, and an unprecedented reliance on the contracting community for analytic staffing, workforce management, and training. When I left the Hill over a year ago, a significant majority of the analysts assigned to the NCTC--our new gold standard in counterterrorism--were contractors.

The expansion, as I saw it first hand, increased production while reducing authoritative analysis--or quality control--across these units. This has produced the first generation of intelligence analysts without adequate numbers of experienced managers to train them. I once argued, and the intelligence oversight committees agreed, that it takes the better part of a decade to bring a new IC analyst to peak performance. Today, the majority of analysts in many units have less than five years experience.

While the current situation is correctable, Post-9-11 restructuring has divided--not concentrated--accountability for threat assessments across a larger number of analytic units at CIA, FBI, DHS, and NCTC. It has confused civilian and military roles and raised alarms about military involvement domestic intelligence in the emergence the powerful and effective Northern Command, in the expansion of DoD's Counterintelligence Field Activity (CIFA) that protects US military facilities, and in NSA's "warrentless" surveillance of US citizens' communications. FBI has fallen short in developing analytic and collection capabilities, and DHS is way behind in building the necessary relationship with the private sector to counter serious and growing threats from cyber- and bioterrorists. If the FBI were to be placed in the IC penalty box, it would have plenty of company.

Our record since 9/11, then, is a mixture of notable successes, commendable but stalled efforts, and significant failures. Much of what we have done has been understandably reactive and uncoordinated--often resulting from conflicting priorities and unfocused interplay of the Executive and Legislative branches in an atmosphere of crisis. Current approaches, as a whole, are not cost effective as a blueprint for the future. America needs a comprehensive strategy for national security--including homeland security and domestic intelligence--and bold leadership to implement it.

What do we need to do?

The hastily drafted Intelligence Reform and Terrorism Prevention Act of 2004 created opportunities but no guarantees for enhancing our national security, and it left a lot of holes that only smart leaders can fill. In moving forward, the Executive Branch, in close collaboration with Congressional Committees of jurisdiction, needs to develop a strategic reform agenda with clear reform goals and metrics. We should see this not as an option on a healthy progression on homeland security and intelligence reform but as an imperative on a troubled journey in which too many opportunities have been missed and too many mistakes have been made--and not admitted let alone addressed. And there is nothing self-correcting about many of the alarming trends we observe today.

It is normally a feckless exercise to recommend that a President take direct charge of a government program. But Intelligence transformation, in my view, is not simply another government program. It is the epic mission of our generation, with major implications for the future security of our country. As matters stand today, the President's leadership will be essential to get the government on the right course and to reverse the effects of high-level bureaucratic gamesmanship and, in some cases, failed, unaccountable leadership at lower levels. What follows are my own recommendations intended to help focus a needed debate. I know well that I am open to challenge. And, I am glad to say, on several issues, my mind can be changed.

Recommendation 1-- Restore Accountability: The President should establish by executive order an Intelligence Transformation Group (ITG)--or its functional equivalent--of the National Security Council, chaired by the President with delegation to the National Security Adviser, to include the Secretary of Defense, the Secretary of Homeland

Security, the Attorney General, and the DNI. The mandate should be to develop and implement a strategic plan for IC reform, based on agreed-upon priorities consistent with the Intelligence Reform and Terrorism Prevention Act of 2004, led by the President in close collaboration with the major agencies affected. The organization need not be so formal, if the President so chooses, but his strong hand must be evident in making relevant agency heads responsible and accountable for implementation of his agenda and for presenting a unified front in dealing with the Congress.

Recommendation 2--Resist Structural Buildup: The Administration and the Congress need to restrain their longstanding tendency to adopt structural solutions to functional problems. It is politically more difficult to make leadership accountable for fixing existing organizations, including streamlining them, but it is ultimately less costly and more effective in implementing real reform. In any restructuring, we need to balance better than we have the competing needs for centralized and decentralized models for analysis and collection. The hasty establishment of the TTIC and NCTC taught us that the resistance encountered to these centralized models was in part the result of legitimate leadership concern about degrading critical capabilities needed in an increasingly decentralized Intelligence Community. Structure, by itself, is no panacea.

? Whatever the merits that some see to a new, stand-alone domestic intelligence service (including on the UK or Canadian models), the proposal is premature. I believe it is a bad idea in the first place. If adopted, however, the original vision of its proponents would likely be significantly altered in the counterproductive interplay between the Administration and the Congress. The journey would be painful and protracted, and the destination would not be what its proponents planned, which was surely the case with DHS.

Recommendation 3--Strengthen DHS and Give it an Overarching Domestic Intelligence Role The President should publicly, as well as in his leadership of the ITG, make clear his support for a strong DHS--with the capabilities the Homeland Security Act intended--to coordinate the programs and prioritize the activities of Federal, state, and local governments to prevent man-made (e.g. terrorism) and natural disasters, to protect our people and critical infrastructure, and to respond effectively if such disasters should occur. DHS was designed in statute to be an independent agency to nurture new capabilities to protect America against information-age threats. If properly resourced and supported by the White House, it would be well positioned to be America's focal point for domestic intelligence.

Recommendation 4--Establish DHS Domestic Regions: The DHS second-phase review should be revised to give the Secretary responsibility for assuring a two-way intelligence exchange with state and local governments--as well as with the 22 agencies incorporated into DHS. As a matter of priority, it should call for the development of strong regional organizations--indispensable to a national intelligence system as well as to effective DHS preparedness and response--to help fulfill this mission.

? While the Federal Government in recent years has fallen short in delivering threat-based information to enable state and local governments and the private sector to prioritize critical infrastructure protection, regions around the country have taken impressive steps largely on their own to improve their counterterrorism capabilities across jurisdictions. Obvious examples are New York City (with Northern New Jersey), the District of Columbia (with Baltimore and Richmond), Miami, Houston, Los-Angeles-Long Beach, Seattle-Tacoma, Chicago, and Detroit.

? These regions should have unfettered access to all Federal intelligence agencies, not just the FBI or the NCTC. The Federal Government has protested that it cannot grant security clearances to 13,000 police departments across the country. But it can clear selected officials in these eight regions as a start toward a reliable and sustainable national intelligence system.

Recommendation 5--Clarify FBI's Particular Role in Domestic Intelligence: The FBI, its fifty-six field stations, and its growing network of over 120 Joint Terrorism Task Forces (JTTFs) have a part to play in the development of a national intelligence capability but, as we have argued, it should be a collaborative, not a leading role. We should, once and for all, lower expectations of a dominant role for the Bureau in domestic intelligence. The FBI, unless the White House and Congress are prepared to push a fundamental FBI restructuring in favor of intelligence, should not be expected to produce either the authoritative analysis of the terrorist threat to the homeland or a national collection

requirements system. The President and the ITG should make FBI accountable only for developing an intelligence collection system to support law enforcement and a limited analytic capability in collaboration with state and local governments--both of which the Bureau is pursuing now.

Recommendation 6: Clarify Departmental Roles and Responsibilities: The President and the ITG should work urgently to clarify roles and responsibilities of key agencies with responsibilities for intelligence and homeland security missions. The NCTC, DHS, DoD (especially the Northern Command), CIA, and FBI, while understandably enlarging their missions, are bumping into each other in the integration of foreign and domestic intelligence, and colliding in establishing working relationships with state and local governments. This is a manageable problem if caught early, a serious issue with implications for preparedness, response, and civil liberties if ignored. Recent press reports of military involvement in domestic intelligence collection may or may not turn out to be serious concerns for the protection of civil liberties. They are, however, clear indications of a Federal Government and Congress that have failed to clarify roles and responsibilities in a new threat environment.

Recommendation 7--Promote Government-wide Information Sharing: This goes to the heart of reform that will enable us to fight tomorrow's war, not yesterday's. The Program Director for Information Sharing, a position given government-wide authorities by statute, should be placed preferably in the National Security Council or otherwise in an invigorated DHS, not under the DNI where the White House recently has placed it at least partly on the misguided recommendation of the WMD Commission. The effect of the White House action, which will be felt across the Federal Government as well as in a jurisdiction-focused Congress, will be to foster the backward-looking impression that information sharing is just an intelligence issue. It also will take pressure off other agencies--including the Department of Justice--to play seriously in this top-priority effort, and it will guarantee the perpetuation of "legacy" behavior over the long term. It lessens the probability that an effective, government-wide information-sharing network, such as the Markle Trusted Network, will be implemented any time soon.

Recommendation 8--Back the DNI, but Hold Him Accountable: The President and the ITG should actively support and carefully monitor the implementation of the DNI's agenda to reform IC management, to professionalize the intelligence service, and to improve intelligence collection and analysis. The DNI's agenda should include priorities of common concern to DoD, DHS, and the Attorney General: improving HUMINT capabilities to steal secrets (with less public exposure), enhancing technical collection, and open-source capabilities; upgrading analysis (with greater outside exposure); establishing a cross-agency program evaluation capability; developing interagency professional and technical training programs in a National Intelligence University; building a user-friendly collection management system capable of responding to real-time requirements in the field as well as in Washington; and forging enduring relationships with outside experts, especially with the global scientific community. The high expectations on the DNI, of course, will only be realized if he has the backing of the White House.

Recommendation 9--Clarify CIA's Role Under the DNI: The advent of the DNI has ruptured CIA's 57-year special relationship with the President. CIA analysts and HUMINT officers were directly responsible through their Director to the President as IC coordinators rather than to a cabinet-level policymaker. The recent placement in CIA of the new National HUMINT Service, with IC-wide coordinating responsibilities, is a good step. The Agency's unique analytic capabilities need to be recognized and fostered in a similar fashion. They are an invaluable asset to the DNI and the President that should not be squandered.

Recommendation 10--Push Congressional Reform: The Executive Branch should continue to press for the reform of Congressional jurisdiction. The 9/11 Commission rendered a serious and damning critique of Congressional oversight. Both the House and Senate have commendably created committees to consolidate some of the far-flung jurisdiction on homeland security, though jurisdiction still is scattered over multiple committees and subcommittees. None of this, moreover, has changed the inadequate oversight of the intelligence agencies or otherwise gone far enough to align, in any lasting way, Executive and Legislative branch priorities for IC reform. Reform of Congressional oversight will be a continuous work in progress for the indefinite future. Improving our intelligence capabilities is today an imperative, not an option, if we are to confront the complicated, globally distributed, and increasingly lethal national-security threats of the 21st century.

Conclusion

The US Intelligence Community today is much more than technical collection agencies in league with an espionage service. It is one of the world's largest information companies, which is directly challenged by the IT revolution to exploit the glut of open-source information; to access the best sources of expertise on national security issues, wherever they may reside; and to make the operational focus global--including for domestic intelligence. The IT revolution has literally transformed the IC workplace, significantly raised its customers' expectations in Washington and in the field, and fast-forwarded the movement of the complicated and dangerous world it covers.

Transformation affects all players in the IC, who must see intelligence more as a collaborative and less as a competitive business. Technical collectors, primarily the National Security Agency and the National Geospatial-Intelligence Agency, are challenged as never before to combine resources, to exploit together technologies of common application, and to integrate their collection strategies. And the espionage service, in its mission to "steal secrets," is impelled to blend foreign and domestic perspectives, to fuse classified and unclassified information, and to collaborate with other collection disciplines in the difficult effort to penetrate evasive, fast-moving targets.

On domestic intelligence, we are challenged to build a national collaborative network--including Federal, state, and local governments, and the private sector--that can bring together in real time the best information, the foremost experts, and well trained first responders to meet any threat to the homeland. This is the goal. Achieving it is a long-term proposition in which we must confront the twin obstacles of smarter, more capable adversaries and of persistent, change-resistant US bureaucracies. We know there will be no easy fixes. The core challenge for the Executive Branch and the Congress is to set the right direction and stick with it.