Mr. Chairman and other distinguished Members, I am honored to testify before the committee today. On July 22, 2004, The National Commission on Terrorist Attacks Upon the United States, the 9/11 Commission, published a sweeping and largely on-the-mark report. The Heritage Foundation and other independent bodies that have looked at the major challenges facing the nation have drawn similar conclusions. It is past time to address these issues directly.

A little over one year after the horrifying September 11 strikes on New York and Washington, Congress passed and President George W. Bush signed into law a bill creating an independent, bipartisan national commission chartered to prepare a full and complete account of the circumstances surrounding the terrorist attacks and make recommendations to guard against future threats. The second part of the 9/11 Commission’s mandate is particularly critical to the future security of the nation. Taken together, many of the major recommendations in the commission’s final report fulfill that obligation well. Congress and the Administration should make addressing these recommendations a special priority, and I commend this committee for promptly addressing the issue.

No Quick Fixes

I think we should be realistic in addressing the recommendations made by the report, particularly in the area of intelligence reform. The commission’s analysis makes clear that many of the nation’s failures in responding to the rising danger of transnational terrorism stem from long-standing structural flaws in the U.S. government that transcend the policy decisions of any one administration. There are no quick fixes that will make us immediately safer. As much as we may want to believe otherwise, it’s unlikely that the most significant proposed reforms would help much in stopping the next attack. It would take years to reap the full benefits of many of

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them, even if we wrote them into law today.

Still, it is worth doing and worth getting right. When we created what became the Department of Defense and the CIA in 1947, no one expected they would win the Cold War by 1948. We needed the right instruments to fight a long war. Likewise, we need weapons for the long war on terrorism.

We Are Making Progress

Another reason not to rush is that in many cases, we’ve already started. I believe the August 1, 2004, announcement by the Homeland Security Department providing specific threat warnings to financial institutions in New York, New Jersey, and Washington offer a case in point. It all started with an operation that demonstrated the value of putting a “preemptive” strategy into practice (getting the terrorists before they get us) and practicing international cooperation where it counts (working with friends and allies to ensure mutual security). In this case, the big break came from joint U.S.-Pakistani cooperation that rooted out at least two key al-Qaeda operatives.

Intelligence from computer records seized during the arrests in Pakistan was shared within the intelligence community. They revealed on-going surveillance of targets that had been going on for years, information that was updated as recently as January and April of this year. And this intelligence was quickly shared. Not only was it passed around, but representatives from intelligence and law enforcement got in one room and talked about it—something that would actually have been illegal before 9/11 and the passage of the Patriot Act.

This incident also demonstrated the value of creating the Terrorist Threat Integration Center (TTIC). Established by President Bush on May 1, 2003, the TTIC is designed to be a central location where all terrorist-related intelligence, both foreign and domestic, is gathered, coordinated, and assessed. It is composed of elements of the FBI, CIA, Department of Defense, Department of Homeland Security, Department of State, and other intelligence agencies.

Effectively sharing intelligence and connecting dots was one of the most strident recommendations of the 9/11 report. It’s good to see Washington isn’t waiting to put the principle into practice.

Also involved in coordinating the sharing of information was the Homeland Security Operations Center (HSOC) in Washington, D.C., and the Information Sharing Analysis Centers (ISACs), particularly those in the financial and real estate sectors. Such institutions, as in the case of the HSOC, did not exist before 9/11 or, as in the case of the ISACs, received little attention or notice. They have enabled federal officials to do more than talk among themselves. They enable key state and city representatives, as well as CEOs from Wall Street and other commercial centers, to be involved from the get-go in the process of analyzing threats and determining the appropriate response.

Perhaps most important, the Secretary of Homeland Security came out and told us what our government is doing. The color-coded Homeland Security Advisory system created after 9/11 has rightly been criticized as a blunt instrument. Secretary Ridge’s announcement was a vast improvement. A good warning has to be recognizable, credible, and actionable. Sunday’s
warning was all three. The secretary followed a simple rule: Tell Americans what you can, when you can—and let them live their lives.

There is little room for complacency. There is still much to be done to make America free and safe, but I believe this warning shows we are already moving in the right direction.

**One Chance at Success**

My final caution for moving with deliberate speed reflects the historic nature of what we are about to undertake. I think rightly we seldom tinker with the fundamental instruments of national security. When we do, we must get it right because the odds are that it will be years before we revisit the issue in a substantive way. Thus, we will no doubt have to live with our mistakes as well as our success for a long time.

When the National Security Act of 1947 consolidated the military services into a single department, the new organization, a product of debate and compromise, left much to be desired. Among the flaws, in order to prop-up the power of the services, the department secretary was given almost no authority and the Joint Chiefs of Staff (JCS) as an institution had virtually no responsibility. Two years later, a subsequent law was required to fix the most grievous errors in the Pentagon’s organization, but serious flaws in the department remained. However, once the wiring-diagram was set, budgets divided, Congressional committees established, inertia took over. Real change became almost impossible. The Office of the Secretary of Defense remained weak until the 1960s. The JCS stood impotent until the Goldwater–Nichols Act in 1986. We should remember this history as we move forward.

**Concerns with the 9/11 Commission Proposals for Intelligence Reform**

Above all I would urge the committee to not be guided by the perception that immediate action is the measure of success. Success must be measured by our capacity to get the best reforms on the table. In this regard, I do have several concerns with the proposals suggested by the commission. Here, I would like to focus on three: the relationship between the National Intelligence Director (NID) and the National Counterterrorism Center (NCC), efforts to improve coordination among the Intelligence Community (IC), and national counterintelligence efforts.

**Concern #1: The Relationship Between the NID and the NCC**

The proposals to create an NCC and an NID bear closer scrutiny. Although a national center is needed, creating an NCC as proposed by the commission might weaken, rather than enhance, the intelligence community’s ability to provide the nation with more responsive, accurate, effective, and useful strategic intelligence. Instead, the NCC should be located in the Department of Homeland Security (DHS).

**A Center of Gravity for Counterterrorism Operations.** The 9/11 Commission called for “unifying strategic intelligence and operational planning against Islamic terrorists across the foreign-domestic divide with a National Counterterrorism Center.” In other words, the center would coordinate the collection and analysis of information.
On its own, this idea has merit. A national center charged specifically with synchronizing the nation’s disparate counterterrorism efforts would address the valid criticisms about the intelligence community’s failure to “connect the dots” and the need to “take down the wall” that prevents information sharing. A national center would also be the next logical step to the number of innovations implemented by the Bush Administration after 9/11, including establishing the TTIC to coordinate information sharing and the Terrorist Screening Center (TSC) to integrate information on various federal terrorist watch lists.

Another key recommendation by the commission is to establish a national intelligence director to oversee the intelligence community—a patchwork of 15 federal organizations scattered throughout the government that have never worked well together. Ever since the CIA was created, the CIA director has worn “two hats,” serving as both the chief of the CIA and the Director of Central Intelligence (DCI)—the nominal leader of the intelligence community. In practice, though, the DCI has had scant influence over intelligence activities outside the CIA. Splitting the position into two full-time jobs makes sense. Creating an independent NID with real authority (as recommended by the commission) would allow the CIA director to focus full-time on running the CIA. Meanwhile, the NID would oversee the entire community, make recommendations on resources and priorities, and—as the nation’s principal intelligence advisor—provide independent assessments to the President.

A Flawed Proposal. The commission may have missed the mark however, in arguing that the National Counterterrorism Center should work directly under the NID. Counterterrorism is just one of the nation’s strategic intelligence priorities. In order to serve the President adequately, the NID would have to be concerned about transnational terrorism, in addition to keeping an eye on events in Asia, global weapons proliferation, and other vital issues—as well as pondering what challenges may emerge in the future. If the NID has chief responsibility for overseeing the global war on terrorism, that mission will consume all of the director’s time and energy.

Additionally, giving the national director day-to-day responsibilities for the NCC would recreate the current problem with the DCI—giving the director two day jobs. Moreover, if the NID is intimately involved in the fight against terrorism, he or she will no longer be able to provide truly independent assessments.

Putting the National Counterterrorism Center under the NID would also further undercut the intelligence analysis and integration functions of the Department of Homeland Security. DHS was created to serve as the main center for data sharing and analysis for homeland security, but it has not been given the tools to exploit U.S. intelligence and law enforcement resources. Since its creation, little has been done to bolster that mission. Today, the TTIC is run by the DCI, and the TSC is under the supervision of the FBI. In the end, the current arrangement leaves DHS as little more than just another intelligence end user, competing with other members of the national security community to ensure that its priority requirements are met. Creating this new center outside of DHS will only further marginalize it.

Ironically, the arguments for not strengthening DHS’s responsibilities are the same ones that were used to strip the DCI of any real authority when that position was created. The DCI, detractors argued, lacks the experience and resources to do the job. However, once the lines of
authority were set, they became unchangeable. Unless DHS is given the mission now, it will
never garner the expertise and resources that it needs to fulfill its mandate.

A Better Idea. Rather than further weaken DHS, its role should be strengthened. The TTIC and
the TSC should be combined with DHS’s intelligence directorate, the Information Analysis and
Infrastructure Protection (IAIP). In addition, other intelligence integration centers within DHS,
such as the Customs and Border Patrol’s National Targeting Center (NTC), which identifies
high-risk international cargo for inspection, and the Immigration and Customs’ Law
Enforcement Support Center (LESC) should be integrated into the IAIP. Together, these
organizations should form the nucleus of the National Counterterrorism Center under DHS. The
center should be the focal point for analysis and information sharing. Responsibilities for
intelligence collection and covert operations should remain within existing intelligence agencies.

Because DHS is a member of the intelligence community, the NID would still oversee and
influence the operations of the NCC in the same manner as the other components in the
community. In addition, through NID staff, the national director would have the capacity to
independently assess the work of the intelligence community on counterterrorism and to
coordinate their activities, as well as work on other key strategic issues.

Concern #2: Enhancing Coordination

One of the assumptions of the 9/11 Commission’s report is that the best way to improve
coordination among the IC is to give the NID more authority to run the community. There is an
alternative model that this committee should consider in consolidating agencies, roles, and
responsibilities. For example, the 9/11 commission did recommend in its report consolidating all
direct covert action in the Pentagon’s Special Operations Command. Perhaps there are other
areas where consolidation should be considered, particularly in consolidating strategic
intelligence assets in one agency.

I believe the President was essentially right in his press conference on August 2, 2004, when he
stated that the appropriate model for the NID is the Chairman of the Joint Chiefs of Staff (CJCS).
Though the CJCS commands nothing, the position has enormous authority and capacity to guide
defense activities. Likewise, where the Pentagon has achieved great strides in coordinating and
integrating activities it has been through unifying operations “in the field” not in the Pentagon.

Concern #3: Think About Counterintelligence

It’s not clear the 9/11 Commission, or indeed the rest of us, have given much thought to how we
will do counterintelligence in a post-9/11 world. We will no doubt have to improve our ability to
conduct counterintelligence—finding enemy spies within the ranks of our law enforcement and
intelligence services. The simple fact is, as we succeed in sharing information more effectively
among federal, state, and local agencies there will be more opportunities to steal, sell, trade, or
give away America’s secrets. Intelligence reform will have to think through better ways to
protect what we know.
Right now we have to ask ourselves what is the plan for national counterintelligence operations and who is in charge? Who is ensuring that best practices and lessons learned are being shared? Who is looking at the gaps and vulnerabilities across the web of systems used to exchange information. This will require an organized national effort, not just a part-time job for a few agents at the FBI. And it’s a job that has to be done to the highest standards, respecting the legitimate privacy and liberties of American citizens.

Thank you again for the opportunity to appear before the committee and discuss this vital issue.