

**FISCAL YEAR 2010 BUDGET FOR THE OFFICE  
OF INTELLIGENCE AND ANALYSIS OF THE  
DEPARTMENT OF HOMELAND SECURITY**

---

---

**HEARING**

BEFORE THE

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

OF THE

**COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES**

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

—————  
JUNE 24, 2009  
—————

**Serial No. 111-26**

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

—————  
U.S. GOVERNMENT PRINTING OFFICE

51-634 PDF

WASHINGTON : 2011

—————  
For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON HOMELAND SECURITY

BENNIE G. THOMPSON, Mississippi, *Chairman*

LORETTA SANCHEZ, California  
JANE HARMAN, California  
PETER A. DEFAZIO, Oregon  
ELEANOR HOLMES NORTON, District of  
Columbia  
ZOE LOFGREN, California  
SHEILA JACKSON LEE, Texas  
HENRY CUELLAR, Texas  
CHRISTOPHER P. CARNEY, Pennsylvania  
YVETTE D. CLARKE, New York  
LAURA RICHARDSON, California  
ANN KIRKPATRICK, Arizona  
BEN RAY LUJÁN, New Mexico  
BILL PASCRELL, Jr., New Jersey  
EMANUEL CLEAVER, Missouri  
AL GREEN, Texas  
JAMES A. HIMES, Connecticut  
MARY JO KILROY, Ohio  
ERIC J.J. MASSA, New York  
DINA TITUS, Nevada  
VACANCY

PETER T. KING, New York  
LAMAR SMITH, Texas  
MARK E. SOUDER, Indiana  
DANIEL E. LUNGREN, California  
MIKE ROGERS, Alabama  
MICHAEL T. MCCAUL, Texas  
CHARLES W. DENT, Pennsylvania  
GUS M. BILIRAKIS, Florida  
PAUL C. BROUN, Georgia  
CANDICE S. MILLER, Michigan  
PETE OLSON, Texas  
ANH "JOSEPH" CAO, Louisiana  
STEVE AUSTRIA, Ohio

I. LANIER AVANT, *Staff Director*  
ROSALINE COHEN, *Chief Counsel*  
MICHAEL TWINCHEK, *Chief Clerk*  
ROBERT O'CONNOR, *Minority Staff Director*

---

SUBCOMMITTEE ON INTELLIGENCE, INFORMATION SHARING, AND  
TERRORISM RISK ASSESSMENT

JANE HARMAN, California, *Chair*

CHRISTOPHER P. CARNEY, Pennsylvania  
YVETTE D. CLARKE, New York  
ANN KIRKPATRICK, Arizona  
AL GREEN, Texas  
JAMES A. HIMES, Connecticut  
VACANCY  
BENNIE G. THOMPSON, Mississippi (*Ex Officio*)

MICHAEL T. MCCAUL, Texas  
CHARLES W. DENT, Pennsylvania  
PAUL C. BROUN, Georgia  
MARK E. SOUDER, Indiana  
PETER T. KING, New York (*Ex Officio*)

THOMAS M. FINAN, *Staff Director*  
BRANDON DECLET, *Counsel*  
NATALIE NIXON, *Deputy Chief Clerk*  
DERON MCELROY, *Minority Subcommittee Lead*

# CONTENTS

---

	Page
STATEMENTS	
The Honorable Jane Harman, a Representative in Congress From the State of California, and Chair, Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment .....	1
The Honorable Michael T. McCaul, a Representative in Congress From the State of Texas, and Ranking Member, Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment .....	2
WITNESSES	
Mr. Bart R. Johnson, Acting Under Secretary, Office of Intelligence and Analysis, Department of Homeland Security:	
Oral Statement .....	5
Prepared Statement .....	6



**FISCAL YEAR 2010 BUDGET FOR THE OFFICE  
OF INTELLIGENCE AND ANALYSIS OF THE  
DEPARTMENT OF HOMELAND SECURITY**

---

**Wednesday, June 24, 2009**

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

The subcommittee met, pursuant to call, at 10:08 a.m., in Room 311, Cannon House Office Building, Hon. Jane Harman [Chair of the subcommittee] presiding.

Present: Representatives Harman, Carney, Kirkpatrick, Thompson (ex officio), McCaul, and Dent.

Ms. HARMAN. The hearing will come to order. Good morning, and welcome to the subcommittee's fiscal year 2010 budget hearing for the Department of Homeland Security's Office of Intelligence and Analysis. That is a mouthful.

Let me first take the opportunity to acknowledge the wise decision made by Secretary Janet Napolitano this week to shut down the National Applications Office and its related program. Under her leadership, DHS has recognized what a number of us have advocated for the last 2 years, that this program offered neither a desired capability for State, local, and Tribal law enforcement, nor adequate protection for privacy, civil rights, and civil liberties. With that good start, I am delighted to welcome the Acting Under Secretary Bart Johnson to the subcommittee and also to acknowledge that sitting behind him in the front row is Tom Finan, who was former counsel to the majority of the subcommittee, who has fled us to join DHS. In reverse, I would like to recognize Michael Blinde, who was formerly at DHS, who has fled you to join the subcommittee as counsel. So I am not sure what all the implications of this are, but I think it is a net plus for both sides.

Mr. Johnson, your distinguished record of more than 30 years as a State law enforcement official gives you special insight into our subcommittee's focus on improving accurate, actionable, and timely sharing of Homeland Security information with State, local, and Tribal partners. Your written testimony is excellent. I just commended you personally and heard from you that you wrote most of it personally. It is exceptionally good, and I also told that to your Secretary when I spoke to her on the phone yesterday.

It clarifies a role for the Office of Intelligence and Analysis that I personally completely agree with, one that pulls information from

the Federal intelligence community, DHS intelligence components, State and local law enforcement and fusion centers, combining it to create products that provide regional and national assessments of threats to the homeland. I&A after all must connect the dots so that cops on the beat, America's first preventers, can get the information they need in a form they can use in order that they will know what to look for and what to do.

This is what we have been saying up here for years and years. We believe, and I think you would agree, that our first preventers are most attuned to their local communities and will have the best chance, far better than a bureaucrat in Washington or a politician in Congress, to know if something looks suspicious. If they have the right intelligence products, they will be best positioned to do something about it.

Thankfully, because of your law enforcement experience, I believe you understand this. So the question we always have to answer is, how can I&A make our homeland safer? I think a good part of that answer is to develop products and distribution methods to give law enforcement better information.

Let me highlight two issues, though, before I yield the floor to the Ranking Member, that I also think we have to consider. One is—and you mentioned this in your testimony—and that is the overuse of outside contractors. I was surprised to learn recently from one of those contractors, and I am certainly not implying they don't render good service, but I think as much as 50 percent of the analysis done at I&A is contracted out. I don't think that is a good idea at all. It is expensive and it will not get us to where we need to go, which is to have this hyper-sensitivity to the needs of local law enforcement. So I know you are addressing this. I would like you to expand on this in your comments.

Second is the need always to respect civil rights and civil liberties. The dissolution of NAO, your efforts to hire a privacy officer, and your requirement that I&A personnel undergo privacy and civil liberties training are very good initiatives. They are, however, merely first steps. So I hope you will amplify again on how privacy and civil liberties will always be part of the procedures and protocols of your office.

We hope and expect that you will engage with us in a candid dialogue and information sharing over the next months. This is not an adversarial relationship. It is a partnership, and I really believe, Mr. Johnson, that your skill sets will make I&A finally into the intelligence function that many of us who voted for the Homeland Security Department in the first place intended, and I commend you again for your participation in this and for your excellent testimony and now yield to the Ranking Member, Mr. McCaul, for any opening remarks that he has.

Mr. MCCAUL. Thank you, Madam Chair. Let me be the first to congratulate you on your recent victory regarding the NAO. I know you have worked very hard on that effort. Mr. Johnson, welcome to the committee. I enjoyed our visit recently and I want to echo the Chair's comments about this being a partnership, not a game of gotcha. We want to work together with you. You have a unique background and set of skills for this job that I think is going to

greatly enhance DHS's position with respect to local law enforcement.

Let me also say that since the House Appropriations Committee has already reported out the Homeland Security appropriation legislation for fiscal year 2010, it is important that we use our time here today to talk about how the House Appropriations Committee funding for the analysis and operations account will affect the Department's mission. Although the I&A budget numbers are classified, we should be able to get a general sense of whether or not the appropriators are providing adequate resources and funding necessary to fulfill its critical mission.

Let me just say that I know the amount that came out of the appropriations committee was roughly \$11.8 million short of what the President requested, and I think that is going to be an issue that I will be focusing on at this hearing. Of particular significance is the funding allocated for the fusion centers and support for them. I think we can all agree that they play a critical role in facilitating information sharing at all levels of government. We need to ensure that these centers are receiving all that they need to work effectively.

We must remember that if the Office of Intelligence and Analysis as a whole is not provided the resources it needs, it will not have the capability to provide adequate support to the fusion centers and countless other programs so important after 9/11. It is also important to note this is the first budget to fund the substantial increases in authority resulting from the 9/11 Implementation Act which this committee passed and realigned the responsibilities of the Office of Intelligence and Analysis and added additional responsibilities to the under secretary. Therefore, again sufficient funding in my view is needed to help realign your efforts and your office's efforts according to this legal mandate.

Again, I am concerned that the appropriations committee may not have provided enough of the funding necessary to accomplish the goals and what H.R. 1 set out for your office and for the Department to do.

So with that, I look forward to hearing your testimony, and I yield back to the Madam Chair.

Ms. HARMAN. I thank the gentleman for yielding. Now I want to recognize the Chairman of the full committee for opening remarks, but also to tell him that when I speak of partnership, he has been a terrific partner on this effort to get the Department to appreciate the risks of proceeding with the NAO, and I thank you very much, Mr. Chairman, for your enormous effort and support on this issue and many other issues, and I yield to you for opening remarks for 5 minutes.

Mr. THOMPSON. Thank you very much, Madam Chair, and I would like to thank you for holding this hearing on the President's fiscal year 2010 budget request for the Office of the Intelligence and Analysis. I would also like to thank Acting Under Secretary Bart Johnson for being present to testify before the subcommittee for his first time in his new capacity.

First of all, Madam Chair, I would like to commend Secretary Napolitano for doing the right thing with respect to the NAO. This committee, as you know, has had serious concerns since the re-

cessed announcement of that entity and we have followed it almost daily with that concern. While there are significant issues with it, again Secretary Napolitano in a lot of our estimation did the right thing, and I commend her for that.

That being said, Mr. Johnson, you have some challenges. A recent report about right-wing extremism came out. We don't want to get caught up in the semantics of the report, but we think there was some vetting that that report required that was overlooked, and it is that vetting that we had issue with that produced a product that I think would not have been in that same format had the vetting occurred. I would like some assurance from you that that is now in place; the secretary committed it to this Member from Pennsylvania, but she also committed to letting us know what the personnel actions that were taken as a result of that report, and I am not certain, Mr. Carney, you received any information. But we still are looking for whatever personnel actions did occur relative to that report.

Fusion centers are important. There is a need to have uniformity and connectivity with them. A number of us have been in fusion centers all over the country. The one thing we can say is we have not found one that looks like another, and we just hope that is not indicative of the failure to connect the dots between them.

So we are looking for some direction from the Department to help us put that whole situation together because we think it is absolutely important.

Apart from that, the committee's loss with Tom Finan is your gain. There is no question about that. You have a first-class expert on your team. We trust you will take advantage of it. If you don't, we will take him back.

Apart from that, I want to echo the Chair Harman's challenges you face at I&A but with your background you can do it. We are committed as a committee to help make that happen, and I look forward to the testimony, Madam Chair. I yield back the balance of the time.

Ms. HARMAN. Thank you, Mr. Chairman. Other Members of the subcommittee are reminded that under committee rules opening statements may be submitted for the record.

It is now my pleasure to welcome our witness this morning. Bart Johnson is the Acting Under Secretary for the Office of Intelligence and Analysis. Prior to his appointment at the Department of the Homeland Security, Mr. Johnson served as the Director of Homeland Security and Law Enforcement at the Office of the Director of National Intelligence. His work focused on bridging the intelligence community with Federal, State, local, and Tribal customers. Before this, Mr. Johnson served as a Colonel with the New York State police. He possesses over 30 years of law enforcement experience.

Without objection, your excellent and lengthy statement will be inserted in the record, and I would now ask you, Mr. Johnson, to summarize your statement for 5 minutes.

**STATEMENT OF BART R. JOHNSON, ACTING UNDER SECRETARY, OFFICE OF INTELLIGENCE AND ANALYSIS, DEPARTMENT OF HOMELAND SECURITY**

Mr. JOHNSON. Thank you very much. I just want to start off by thanking you, Madam Chair, Mr. McCaul, and Mr. Thompson and the rest of the distinguished Subcommittee on Intelligence, and it is my pleasure to be here today to speak about the President's 2010 budget.

As all of you well know, I just started 4 short weeks ago as a principal deputy under secretary for intelligence and analysis and until such time an under secretary is selected, I will also be the acting under secretary. So basically I am wearing two hats at this point in time.

You accurately stated that it is my first time in this capacity, but I am kind of embarrassed to say it is my first time, period, of testifying before Congress. So bear with me. I was to appear back in April 2007 to testify about controlled unclassified information but because of the tragic death of Trooper David Brinkerhoff trying to apprehend a felon, this group wrote into the record and you, Madam Chair, spoke to that issue, and I want to take this time to appreciate very much the kind comments that were shared with the family because of that very unfortunate tragedy.

But having said that, I am very, very honored to be here in this current capacity. I have met with and spoke at length with the Secretary. I agree with everything that she is pushing forward, which very fortunately is directly in line with everything that you all have been saying for the past several years, that I have been operating within for the past several years and also agree with 100 percent.

I appreciate the comments regarding the more than 31 years in law enforcement. I come from an organization based on pride and tradition, rule of law, accountability, all the things that make a great organization. I also come from a world where it is all operational. So I am very familiar with those type activities. So I hope I bring something to the table.

The most striking event that occurred to me, and many of you, were the events of September 11 where foreign-directed, foreign-supported, foreign-born individuals came to this country and let upon us one of the biggest tragedies we have ever seen. I lost two personal friends in those attacks, Firefighter Sammy Ortiz and Port Authority Officer Paul Jurgens. I live with that each and every day.

On that same day, Superintendent James McMahon tasked me to build an intelligence operational investigative component within the New York State Police, and I have been doing nothing but since that time. So I am very familiar with a lot of the programs that all of us have been building together as we move forward.

I also had the opportunity to spend a year and a half as the Director of Homeland Security and Law Enforcement with the ODNI, where I got to see and witness the fine work and the bravery of many members of the intelligence community, and I also saw how those two worlds collided on September 11 which clearly illustrated the need to get the right information to the right people at the right time.

In my new role as a Principal Deputy, I often reflect upon the fine work of Charlie Allen and General Hughes in what they set into motion, and I am going to build upon that. I am going to learn from them. I have been meeting with them already. Nobody can illustrate to me the importance of getting information to the first-line officers. It was the Maryland State trooper that stopped Ziad Jarrah on September 9. They are the people, they are the front lines that really need operationalizing and to receive the information. That is what all of you have been saying since that tragic event.

So what do we have right now? We have 70 fusion centers and there is a baseline capability that is being built. They need to be enhanced, they need to be matured. Like the Secretary has stated, it is her role to counter terrorism, leverage those fusion centers in connecting the dots and making sure that we are empowering the people that need to be empowered with the information that they need.

So what am I going to do? I am going to work with the State and locals, solicit their thoughts before I do anything, like I have been doing over the past 2 weeks. I am going to embrace and fully support the fusion centers. I am going to move more assets to the field. I am going to look at to professionalize, which they are already professional, the Federal workforce and become less reliant on the contractors that we are already relying on. We are going to pull information, integrate information, translate where required information, and really put an operational spin into the hands of the people that need it the most.

I understand the rule of law. I have testified in a court of law. I know how to play by the rules and the needs to do that. So I am going to work with the ACLU. Finally, with all of your support—and I appreciate the very kind comments and the partnership that is illustrated. You have my assurance that I will be transparent. I will get back to you on issues that I need to get back to you on, and I will work fully with you.

Thank you for your support.

[The statement of Mr. Johnson follows:]

PREPARED STATEMENT OF BART R. JOHNSON

JUNE 24, 2009

INTRODUCTION

Chairwoman Harman, Ranking Member McCaul, and distinguished Members of the subcommittee, thank you for the opportunity to appear before you today to discuss the President's fiscal year 2010 budget request for the Department of Homeland Security's Office of Intelligence and Analysis (I&A).

On May 18, 2009, I was appointed by Secretary Napolitano to be the principal deputy under secretary for intelligence and analysis (I&A) at the Department of Homeland Security (DHS). I am honored to have been given this opportunity to serve as the principal deputy under secretary at the request of Secretary Janet Napolitano. I proudly accepted this new mission at her request and at the urging of many of my friends and colleagues who work in homeland security, law enforcement and intelligence. As you are aware, there currently is no under secretary in place at I&A; for now, and for the foreseeable future, I will also serve in the capacity of acting under secretary.

Since this is the first time I have interacted with some of you, I want to share with you a little bit about my background. I served as a law enforcement officer in the State of New York for nearly 31 years and retired as the New York State Police

Field Commander in December 2007. The terrorist attack of September 11, 2001 was among the most tragic experiences of my law enforcement career. That day impacted all Americans directly and many of us lost loved ones. Two of my close friends, New York City Fire Fighter Samuel Oitice and Port Authority Police Officer Paul Jurgens, were among those killed.

Later in the day on September 11, 2001, I was assigned by the Superintendent of State Police to build an investigative and intelligence-led effort to work with other agencies to prevent, deter, detect, and identify persons or organizations who are trying to carry out other attacks in our country. It was through these efforts that I worked with a number of agencies at the Federal, State and local levels—including the Federal Bureau of Investigation (FBI) and the Department of Homeland Security (DHS)—doing similar work. It was through the relationships I developed with professionals at these agencies that I was able to work on a number of programs that are now in place throughout the country and in the Nation's capital to make us safer. I would especially like to thank General Hughes and Charlie Allen—my predecessors—for all of their work in standing up I&A and making it an essential part of the Nation's homeland security effort.

In January 2008, I was selected by then Director Michael McConnell of the Office of the Director of National Intelligence (ODNI) to be the ODNI's Director of Homeland Security and Law Enforcement. For the next year and a half, I gained a better understanding of the intelligence community (IC) and what it does to better protect our country. These experiences with the ODNI have given me a better understanding of the importance of sharing intelligence and information with all of our partners, both foreign and domestic. As acting under secretary, I will continue to leverage the resources of the ODNI in my work at I&A.

During my short time in my new position, I have had the opportunity to meet and interact with several Members of Congress and their staffs. I appreciate these interactions and I find them to be informative and helpful. I look forward to meeting and consulting with all of you in the coming months.

I would also like to state that over the past month I have had numerous opportunities to interact with the I&A staff through Town Hall meetings that I have held and informal "walk arounds" during which I have met quite a few of the employees. I have found them all to be deeply committed to DHS' work and the important role they play in performing the mission that I am going to outline for you today. I look forward to working with each of them.

Finally, I would like to state that throughout my career, I have taken my responsibility of protecting the public and upholding the rule of law very seriously. I have always given my utmost to carry out the mission while respecting the civil rights and civil liberties of the people I serve. I am enthusiastic about the way forward, focused on the challenges ahead, and look forward to working with the committee.

#### THE OFFICE OF INTELLIGENCE AND ANALYSIS MISSION

As Secretary Napolitano recently stated, the No. 1 responsibility of DHS is preventing terrorism. Terrorism is the reason DHS was created. More specifically, it is the reason that 22 legacy agencies were joined together. To that end, the primary mission of I&A is to be the recipient and developer of intelligence that creates the kind of situational awareness that we need to stop a terrorist plot in its tracks and save lives.

Critical to this effort is providing intelligence in a useable form to State, local, and Tribal governments and the private sector. As Secretary Napolitano has said, while there may be a lot of information-sharing going on—among and between agencies and departments at all levels of government—the key is disseminating useable intelligence to our State, local, Tribal, and private sector partners; getting similar intelligence back from those partners for I&A's "in-house" analysis work; and making this two-way exchange happen on a real-time basis. That is exactly the niche that Congress intended DHS to fill when passing the Homeland Security Act of 2002. It is precisely where I will be taking I&A during my service as acting under secretary.

The more than 70 State and local fusion centers that now exist Nation-wide are an important step in the right direction and, in my view, point the way forward. Secretary Napolitano made it clear at the National Fusion Center Conference this past March that fusion centers are "the centerpiece of State, local, Federal intelligence-sharing for the future and that the Department of Homeland Security will be working and aiming its programs to underlie Fusion Centers." To that end, we must look at information sharing in fundamentally new ways. Our goal is not just to share a fact or a report, but rather to ensure that fusion centers and fusion center personnel have the capacity not only to gather and share information at the State,

local, and Tribal levels but also to analyze that information meaningfully—to convert what might appear to be bits of unrelated information into a product that can help authorities protect their communities from attack. That also requires I&A to rise to the challenge. It must have at its core an analytical team that accesses this kind of useful intelligence from fusion centers and adds to their analysis intelligence and other information that is available to DHS and other IC agencies about terrorist tactics and plans. In the process, I&A will be well-positioned to create useful homeland security intelligence products that can be shared back with State, local, Tribal and private sector partners.

The National Suspicious Activities Reporting (SAR) Initiative, which for the first time creates a systematic way for State, local, and Tribal law enforcement officers to connect the dots in their own jurisdictions about terrorism and other criminal activities, will be an important source of data for both fusion center and I&A analysis. The engagement of the American Civil Liberties Union (ACLU) and other privacy and civil liberties organizations in the development of the SAR Initiative, moreover, is the same kind of engagement that I&A plans to initiate and maintain as it refocuses on building a robust and transparent homeland security analysis function. As a former law enforcement professional who well understands the critical importance of the rule of law in making our people and places truly safe, I pledge to you that strict adherence to privacy, civil rights, and civil liberties laws and regulations will be the starting, mid- and end-points of I&A's homeland security intelligence work under my watch.

As I&A lays out a strategic vision going forward, we will focus on several principles.

#### *Sharing Information With State, Local, and Tribal Governments*

First, the needs of State, local, and Tribal governments will drive I&A's intelligence products. I&A will work closely with State, local, and Tribal law enforcement officials, emergency managers, homeland security advisers, mayors, Governors, county officials, and Tribal leaders to better understand the types of information they need, and the format in which they need it.

Second, I&A's production and dissemination process will be streamlined and optimized. Intelligence and other information intended for State, local, and Tribal authorities will be provided rapidly, using dissemination processes that ensure that all State, local, and Tribal decision-makers responsible for counterterrorism and other homeland security efforts have the information and intelligence they need to make critical decisions. I&A will work closely with the FBI, NCTC, the DEA and other members of the IC to clearly define roles and responsibilities related to the dissemination of Federal intelligence and information to State, local, and Tribal officials. I&A will work with these same entities to provide State, local, and Tribal officials all intelligence and information necessary to support investigative activity, protective actions, and response planning—particularly during rapidly evolving threat-related situations and major events.

Third, I&A will better leverage State, local, and Tribal analytic capabilities with the goal of developing synergistic analytical excellence throughout the process. I&A will work closely with State, local, and Tribal authorities to improve the capability of State and local fusion centers to gather, assess, analyze, and share information and intelligence regarding threats to both local communities and the Nation. I&A's representatives in State and locally-owned analytic centers will work closely with representatives from locally-based DHS operational components as well as other locally-based Federal personnel (FBI, DEA, ATF, etc.) to avoid duplication of effort and ensure close cooperation in the sharing of Federal information. While fusion centers are the central component of I&A's efforts to share information with State, local, and Tribal authorities, they do not represent the entirety of those efforts. Accordingly, I&A will ensure that mechanisms are in place to share information with fusion centers and other State, local, and Tribal officials as appropriate.

Fourth, I&A will analyze locally generated information to identify regional trends and national threats. Each day across the Nation, State, local, and Tribal officials gather information in the course of their everyday efforts to provide emergency and non-emergency service. This information may serve as the first indicator of a potential threat to the homeland. The ability to blend and analyze information gathered and documented by multiple localities is vital to I&A's ability to identify regional and national patterns and trends that may be indicative of an emerging threat to the homeland. To this end, I&A will support Federal efforts to institutionalize the SAR Initiative.

### *Improving Coordination Among DHS Components*

The consolidation of 22 legacy agencies into today's DHS was intended to enhance Federal homeland security efforts by enabling closer operational coordination and eliminating duplications in mission-related activities. In order to strengthen the ability of the various components to function as a unified department, I&A must coordinate, centralize, and integrate information- and intelligence-sharing activities across components that are distinct in their missions and operations—thereby structuring a true DHS Intelligence Enterprise. At the same time, individual components must continue to strengthen their internal operational capabilities so that they can continue to carry out critical law enforcement, transportation-related, emergency response, and border security efforts. To achieve these objectives, information-sharing efforts by individual components must be organized based on a “shared mission” concept. Across DHS there are multiple operational, technological, programmatic and policy-related activities underway that focus on both improving the sharing and analysis of information between departmental components and/or on improving the sharing of intelligence and information between DHS and other Federal, State, local, Tribal, and foreign government entities and the private sector. Despite investing significant resources in these efforts, more can be done. Accordingly, I&A will reevaluate the current approach to how the various components design, procure, and implement information-sharing technology. I&A will put in place protocols, safeguards, and a governance structure that ensure that the DHS Intelligence Enterprise better supports the missions of individual components, I&A, and DHS as a whole.

### *Protecting Privacy and Civil Liberties*

Efforts by I&A to gather, assess, analyze, and share intelligence and information will be guided by the dual imperatives of protecting the Nation from those who wish to harm it and protecting privacy, civil rights, and civil liberties. I&A will work closely with officials at all levels of government, including the Department's own Privacy Office and Office for Civil Rights and Civil Liberties, as well as representatives of the privacy, civil rights, and civil liberties communities, to ensure that information sharing efforts comply with both the letter and spirit of the law. In fact, I&A is in the process of hiring a privacy officer to work closely with senior leadership on these important issues.

#### THE WORK OF THE OFFICE OF INTELLIGENCE AND ANALYSIS TODAY

The dedicated staff of I&A strives every day to provide accurate, actionable, and timely intelligence to support DHS; private sector critical infrastructure owners and operators; Federal, State, local, and Tribal officials; our component agencies and the other members of the IC. As the current leader of this effort, I am responsible for managing the daily activities of I&A and ensuring we are appropriately organized and positioned to adequately meet the demands of our diverse customer set. As DHS' Acting Chief Intelligence Officer, as codified in the Implementing the Recommendations of the 9/11 Commission Act of 2007 (9/11 Act), I am also responsible for integrating DHS' intelligence components; developing programs such as the State and Local Fusion Center (SLFC) Program described more fully below; and furthering the DHS Intelligence Enterprise—all key examples of DHS's capabilities to support our homeland and national security objectives. As the Acting DHS Information Sharing Executive, I work to integrate and facilitate information sharing within DHS and between DHS and our many customers. As the Acting DHS Executive Agent for support to State, local, and Tribal organizations, moreover, I manage the network of intelligence personnel deployed across the country through the SLFC Program to ensure a two-way exchange of information between our first preventers, first responders and the Federal Government. Finally, as the Acting Principal Accrediting Authority for DHS's classified information management systems, I am responsible for the intelligence networks and systems across DHS.

I&A continues to position itself to meet all of these growing demands. We have increased and improved our analytic tradecraft in the arena of domestic threat analysis—a notable accomplishment in an area that has been traditionally outside the scope of the IC. I&A has elevated border security to a division level to better focus analysis on this issue and ensure that border-related activities are more effectively integrated across I&A and the DHS Intelligence Enterprise. Working with other Federal agencies and State, local, and Tribal partners, I&A continues to grow the quality and frequency of the Homeland Intelligence Reports (HIRs) that it distributes. These reports rapidly provide State, local, Tribal, and Federal entities access to unevaluated information that may be of intelligence value and also inform the IC on matters that could be relevant to homeland and national security. We likewise

have, along with the DHS Chief Information Officer, recently established a joint program office to manage DHS' classified information systems. Furthermore, in my first weeks in my new position, I instituted mandatory privacy training for all I&A personnel. These are just some of the examples of the progress I&A has and will continue to make in the months and years ahead.

I&A adds unique value when it comes to combating terrorism by viewing it through the prism of its impact on the homeland. This holistic perspective allows DHS to make connections—if and where they exist—between terrorism and other illicit transnational criminal activities, such as illegal immigration and smuggling, trans-national organized crime or the trafficking of illicit drugs. Moreover, these illicit activities often constitute additional threats to the homeland, and I&A must address them as well in order to support both our departmental mission and to help secure the public from harm.

STATE AND LOCAL FUSION CENTERS AND THE INTERAGENCY THREAT ASSESSMENT AND COORDINATION GROUP (ITACG)

Securing the homeland is a complex mission that requires a coordinated and focused effort by Federal, State, local, and Tribal authorities. I&A leads this coordinated effort through direct support to State and local fusion centers through its State and Local Fusion Center (SLFC) Program and a multi-faceted approach for providing intelligence and information to non-Federal and private sector partners. I am proud to say that by the end of this year, I&A will have deployed intelligence officers to 45 fusion centers. These dedicated officers are at the front lines working side-by-side with our first preventers and first responders. Our fiscal year 2010 request provides the resources necessary to increase deployments to all 72 approved fusion centers, including centers located in Urban Area Security Initiative (UASI) cities. We are also developing production plans that focus on State, local, Tribal, and private sector requirements. Based on the feedback of our partners, I&A has implemented a "single point of service" contact to ensure that any State, local, or Tribal support request (SLSR) makes of a fusion center receives a timely and appropriate response. A Program Assessment Rating Tool audit of fusion center representatives conducted by the Homeland Security Institute earlier this year credited this initiative with significantly improving the process for requesting and receiving a timely response from DHS. It is my goal to forward deploy additional analysts to the field to major cities and our component agencies.

In response to the needs of the fusion centers, we are also strengthening core competency training programs—in cooperation with the ODNI, the FBI and the Bureau of Justice Assistance—in order to make our partnerships with State, local, and Tribal entities even more effective. I&A training programs for fusion center employees are designed to meet their intelligence training needs, and they contain many of the best practices of training programs that have been developed by the IC. Among other things, I&A offers Critical Thinking and Analytical Methods (CTAM), Principals of Intelligence Writing and Briefing (PIWB), Basic Intelligence Threat and Analysis Course (BITAC), Mid-level Intelligence Threat and Analysis Course (MITAC), as well as the Analytic and Critical Thinking Skills Workshop training modules to our fusion center partners.

We likewise take our responsibility to protect and respect the privacy, civil rights, and civil liberties of the public in the fusion center environment very seriously. We partner with the DHS Privacy Office, the DHS Office for Civil Rights and Civil Liberties, the DHS Office of the General Counsel, the ODNI Civil Liberties and Privacy Office, the ODNI Office of the Program Manager for the Information Sharing Environment, and the ODNI Office of the General Counsel to make sure that all of our efforts are consistent with our obligations. We require all I&A staff assigned to fusion centers to receive specific training and to have subject matter expertise on all relevant privacy, civil rights, and civil liberties laws and regulations as a matter of practice and as required by the 9/11 Act. Working with our partners in the field, moreover, we are equally committed to ensuring that all State, local, and Tribal representatives working in fusion centers are supported and fully cognizant of their privacy, civil rights, and civil liberties obligations. Together with our Federal partners, we offer technical assistance in meeting these goals. In its initial Privacy Impact Assessment of the program, required under the 9/11 Commission Act, the DHS Privacy Office has recommended that each fusion center conduct its own privacy impact assessment, develop a privacy protection policy, make it available to the public, and then engage with its local advocacy communities. Approximately 60% of fusion centers have completed such plans to date. Going forward, I&A will continue its efforts to implement this recommendation at fusion centers.

In addition to placing intelligence professionals at the State and local fusion centers, we have worked with our Federal partners to establish the Interagency Threat Assessment Coordination Group (ITACG). The ITACG was created in the National Counterterrorism Center (NCTC) to help us meet the information needs of our State, local, and Tribal partners. I&A has provided two senior I&A officers, along with two officers from the FBI, to lead the stand-up and operation of this organization. Over the past year, the ITACG has increased in size and perspective. In total, four Federal representatives, five State and local personnel (four police and one firefighter), one part-time Tribal representative, and supporting contractors are working in dedicated spaces with essential systems connectivity in NCTC.

The ITACG continues to mature in providing valuable input to intelligence products disseminated to State, local, and Tribal organizations and is engaged in DHS, FBI, and NCTC production processes and activities critical to serving non-Federal customers. Since its initial stand-up in October 2007, the ITACG has reviewed thousands of intelligence products for State, local, and Tribal consumers of intelligence, and has offered important suggestions to make them more useful to our first responders. Of particular note is the *Roll Call Release* that was developed by ITACG. The *Roll Call Release* is a collaborative DHS, FBI, and ITACG effort that addresses specific needs and requirements of “street-level” first responders. Like a traditional roll call release for officers at the beginning of their work shifts, this ITACG product provides situational awareness and other actionable information that first preventers can use in the course of their daily work. It has been very well received—as evidenced by both the appearance of *Roll Call Releases* in State and local-originated publications and by the high number of downloads from Government Web sites.

As we expand our cooperation with our State, local, and tribal partners I&A will increasingly position itself as a partner that understands the needs of these organizations, responds to their informational and intelligence requirements, and writes reports and assessments that serve them well.

#### CYBERSECURITY

DHS is a leading agency of the *Comprehensive National Cybersecurity Initiative* as prescribed by Homeland Security Presidential Directive 23/National Security Presidential Directive 54. I&A provides the DHS Office of Cybersecurity and Communications and National Cybersecurity Division with intelligence support to help secure Executive Branch unclassified civilian (.gov) networks and critical information infrastructure, including parts of the .com domain, State and local networks, and telecommunications infrastructure. The Homeland Security Act prescribes that DHS shall share threat information with State, local, and Tribal authorities and the private sector. I&A uses these authorities and the public-private partnership framework as outlined in the *National Infrastructure Protection Plan* to collaborate with the National Protection and Programs Directorate to provide cyber threat analysis and warning on issues to defend critical U.S. cyber infrastructures and information systems.

Specifically, I&A provides cyber threat briefings and intelligence products to State, local, and Tribal authorities on a regular basis. For example, I&A analysts recently provided cyber threat briefings to the Texas Homeland Security Fusion Center, the Wisconsin State and Local Fusion Center, and the Multi-State Information Sharing and Analysis Center (MS-ISAC). In addition, I&A has developed a line of intelligence products tailored to State, local, and Tribal authorities to help them understand the cyber threat that they face so they can better allocate their computer network defense resources. I&A’s cooperation with the U.S. Computer Emergency Readiness Team (US-CERT), moreover, enables the U.S. Government and private sector to more effectively deter, detect, defend, and respond to adversarial activity against these vital resources.

#### INTEGRATING THE DHS INTELLIGENCE ENTERPRISE

As the acting under secretary and chief intelligence officer of the Department, it is my responsibility to work with the component agencies to transform I&A into a service-oriented provider of intelligence to the DHS components themselves and to consolidate intelligence assets throughout the DHS Intelligence Enterprise. To facilitate this, I chair the Homeland Security Intelligence Council (HSIC), which provides a venue for all Enterprise leaders to discuss issues and collectively make decisions of consequence to the entire Enterprise. Under these authorities, I am responsible for conducting an annual DHS intelligence program review and work with the DHS Office of Policy and the Chief Financial Officer to issue intelligence guidance as part of our resource planning and programming cycle.

As you know, I&A is legally required to present a consolidated DHS intelligence budget to the Secretary. The program reviews provide the analysis and insights necessary for us to identify comprehensively the requirements and activities of the Enterprise. These reviews will also demonstrate how to streamline and structure Departmental activities to leverage efficiencies of scale and eliminate unnecessary programmatic duplication. In the future, we will seek to expand and diversify beyond annual program reviews to include periodic, focused, issue-based evaluations of smaller component intelligence activities throughout the entire year.

A key element of integrating the Intelligence Enterprise is to work with the other intelligence components within DHS. As we continue forward with this effort, training and education will be key. I&A will address this need by providing training and professional development to the entire Enterprise. During this fiscal year, 130 Enterprise personnel have completed the BITAC and 15 have completed the MITAC.

#### NATIONAL APPLICATIONS OFFICE

At the direction of Secretary Napolitano, I am conducting a top-to-bottom review of the National Applications Office (NAO). Specifically, I am starting where Congress said the NAO should have started more than 2 years ago: with DHS' State, local, and Tribal partners. I already have had two telephone conferences with representatives from the Major Cities Chiefs Association; the International Association of Chiefs of Police; the National Sheriffs Association; the Fraternal Order of Police; the Major County Sheriffs Association; the National Native American Law Enforcement Association; the Association of Law Enforcement Intelligence Units (LEIU), State homeland security advisers and other key stakeholders. I am working with these stakeholders to determine how the NAO might meet their homeland security needs to protect lives and property in their communities. Once, and if, any such needs are identified, I plan to work closely with Congress, the Privacy Office, the Office for Civil Rights and Civil Liberties, and the DHS Office of the General Counsel to determine if they comply with DHS policy and legal requirements. Once we have those answers, I will make my recommendation on the future of the NAO to the Secretary for her final determination. Let me be clear: my review and final recommendation to the Secretary will be made in accordance with the Constitution, the legal framework that law enforcement has worked under for generations.

#### COUNTERINTELLIGENCE

No intelligence element can be completely effective without a strong counterintelligence capability. DHS continues to develop its counterintelligence elements in order to be able to assess the threats posed to DHS personnel, programs, operations, and technologies and to protect them from foreign espionage penetration. Counterintelligence must be a part of the DHS infrastructure and integrated into DHS operations. Support to our State, local, and Tribal partners; border security; cybersecurity; and information sharing generally all require counterintelligence support to be fully effective. For example, counterintelligence support to fusion centers is especially critical because I&A shares classified DHS information there. Furthermore, DHS must instill a culture of counterintelligence awareness throughout the Department in order to monitor foreign intelligence collection efforts—especially the nearly 2,000 personnel who are permanently assigned overseas and the many more thousands who travel abroad routinely. An effective, DHS-wide counterintelligence program is essential to the protection of DHS and its vital mission. Working closely with the FBI, we must swiftly identify foreign intelligence attempts to penetrate our operations and recruit our personnel, and we must effectively neutralize those threats wherever they may be. I consider this to be a priority for DHS and an area that requires additional investment in both the analytical and operational areas of counterintelligence.

#### BORDER SECURITY

Border security is a major priority of the President, Congress, and the Secretary. I&A has been working diligently with its partners and is well-positioned to meet the increasing requirements to provide intelligence support for border security operations. The office currently works with border security operators at all levels of government to ensure information sharing and intelligence support are sufficient to enable focused enforcement activities.

Recently, I&A has been working very closely with our Federal, State, local, and Tribal partners to ensure that a logical and meaningful intelligence plan is developed to support operations in the field. As you are aware, the National Southwest Border Counter Narcotics Strategy was announced by the Secretary, the Attorney General and the Director of the Office of Narcotics Drug Control Policy on June 5,

2009. This strategy contains clear and significant direction regarding the need for an intelligence plan and implementation. Under my leadership, I&A will be a full participant with our partners in this process.

A critical part of this effort is the development of the southwest border Homeland Intelligence Support Team (HIST) that operates from the El Paso Intelligence Center (EPIC). EPIC hosts not only I&A and other DHS representatives but also a number of our other key partners including the Drug Enforcement Agency (DEA) and the FBI. The HIST is designed to integrate and fuse key Federal, State, local, and Tribal intelligence and information in the region in support of border security operations. I&A border security analysts assigned to the HIST (and elsewhere) identify and assess threats to the security of the Nation's air, land, and maritime borders and analyze the methods by which terrorists and their associates attempt to penetrate those borders. They focus on five primary areas: Illegal immigration, human trafficking; terrorist use or manipulation of homeland-bound maritime and air transit; terrorist exploitation of specific U.S. border security policies and procedures; and attempts by suspect persons to enter the homeland and transport illegal contraband. I&A is currently evaluating this effort. Based on the results of our review, we will examine the potential establishment of a HIST along the northern border to provide similar integrated cross-departmental intelligence support to border operations.

In addition to I&A's efforts at the HIST and at headquarters, our analysts are also participating in community-wide counterterrorism research, analysis, and production planning—aligning our areas of expertise with overarching documents such as the *National Strategy for Homeland Security* or the *Counterterrorism Implementation Plan* which will, in turn, influence the *National Southwest Border Counter Narcotics Strategy*.

#### REPORT AND REVIEW PROCESSES

One of my primary areas of attention when I arrived at I&A on May 18, 2009, was the framework that I&A applied to the review, clearance, and dissemination of its analytical intelligence products. This review centered on the release of the April 7, 2009 Rightwing Extremism assessment.

To strengthen our existing processes, an interim clearance process was put in place shortly after the release of the April 7, 2009 assessment. That process established mandatory review and concurrence by four offices—Civil Rights and Civil Liberties, the Privacy Office, Office of the General Counsel, and I&A's Intelligence Oversight Section. Any non-concurrence that could not be resolved was elevated to the deputy secretary for review, ensuring a much more coordinated review of I&A's products than had previously been in place. We are currently in the process of finalizing additional guidance to further clarify and streamline the clearance process. I look forward to briefing you and members of the staff on the new procedures in the near future.

The lessons of the extremism assessment are important ones. I want to assure you that DHS takes very seriously its mission of preventing, preparing for, and responding to all threats posed by foreign and domestic terrorists. As you know, the Secretary has pledged that sharing information with State, local, and Tribal law enforcement partners will be a guiding principle as we work to fulfill the mission of securing the homeland from terrorist violence and related criminal activity. At the same time, DHS will not target, for information gathering or enforcement purposes, individuals or groups based on their associations, beliefs, or other Constitutionally-protected activities.

#### THE PRESIDENT'S FISCAL YEAR 2010 BUDGET SUBMISSION

Finally, I would like to address how the President's fiscal year 2010 budget submission supports I&A and the programs outlined above. This budget request continues our commitment to a national fusion center network that is already demonstrating results by providing I&A with additional funds to expand its representation at State and local fusion centers across the country. The fiscal year 2010 budget will enable I&A to deploy additional intelligence analysts and secure communications to all 72 State and local fusion centers; provide security awareness training to fusion center personnel accessing sensitive Federal information; more robustly conduct privacy and civil liberties awareness and protection training; and continue I&A's efforts to provide intelligence support to fusion centers from headquarters. I am encouraged by Congress' continuing support to the SLFC Program and look forward to working with you to fully fund the program in fiscal year 2010 in order to meet both the President's goals and objectives and the requirements of the 9/11 Act.

The fiscal year 2010 budget also provides additional funds to hire seven additional cybersecurity analysts. This budget request will allow I&A to grow the cyber threat analysis element within I&A to provide for strategic warning of cyber threats to our Federal, State, local, Tribal, and private sector stakeholders in addition to supporting our component agencies. I&A will be better able to fully coordinate and integrate our cyber threat analysis with US-CERT, the National Cyber Security Directorate, law enforcement, and the IC. Furthermore, we will be in a better position to leverage Department and IC expertise to provide analytic insight into cyber threats to U.S. Government and critical infrastructure networks; fully analyze cyber intrusions and emerging cyber threat trends; and provide strategic cyber threat assessments for our Federal and non-Federal partners.

Our fiscal year 2010 budget request also includes additional funding to improve information-sharing capabilities across DHS. The requested funding will allow I&A to deploy approximately six homeland secure data network (HSDN) systems to DHS components. Current classified communication capabilities are limited, and this request will increase DHS' ability to share classified information throughout the Enterprise and with our State, local, and Tribal partners.

Finally, and perhaps most importantly, the fiscal year 2010 I&A budget request includes—as you have urged—the conversion of over 100 contractors into Federal positions. As you know, when DHS was established several years ago, we had to rely heavily on contractor support in order to quickly build an intelligence organization from the ground up. Since then, I&A and DHS have made a concerted effort to maximize the number of Federal positions. If approved, these conversions will enable I&A to maintain a more consistent workforce and greatly reduce the amount of inherently governmental work performed by contractor support.

#### CONCLUSION

Members of the subcommittee, I want to convey to you my personal sense of urgency and commitment to the responsibility we all share—ensuring that DHS and its partners have the intelligence capability to address threats to the homeland while performing their mission within the rule of law. I&A is a modestly sized program, representing less than one-half of 1 percent of the total IC workforce, but our mission set belies our size. The President's budget request will enhance Departmental intelligence capabilities to address the “complex and dynamic threats” outlined in the National Strategy for Homeland Security.

I thank you for the opportunity to appear before this subcommittee to provide you some background on my career and why I came to work for DHS; to share my thoughts on the future of I&A; and to review the major funding priorities in fiscal year 2010. These priority areas are vital to advancing the DHS Intelligence Enterprise to where it should be. Overall, the realization of a national homeland security intelligence enterprise rests on addressing these areas. None of us—whether at the Federal, State, local, or Tribal level; in the IC; or in the private sector—can unilaterally predict the threat, warn our stakeholders, and take action to mitigate the risks. Our success depends on our ability to work together while never losing sight of the privacy, civil rights, and civil liberties of the public that we are sworn to protect. Our success in protecting our Nation's security depends on how relentlessly we collaborate.

Thank you and I look forward to your questions.

Ms. HARMAN. The Chairman just said wow, and I think that is a sentiment that we all share for your rookie performance, Mr. Johnson. That is an A-plus. Exactly on time and consistent with much more lengthy testimony. That was superb. I know for the moment you are the acting under secretary, but I would say that not only I but a number of us on this committee want to remove that word “acting” from your title as soon as we possibly can, and it is something I have urged the secretary to do and hopefully that will be another one of her wise decisions in the near future. You are not permitted to comment on that because you cannot turn this down.

I just want to give you a chance to elaborate on something you didn't mention in your oral testimony, and that is the fact that the fiscal year 2010 budget provides for the conversion of over 100 contractors into Federal positions. I have stated my concern about the

overuse of Federal contractors, both because it is expensive and because they don't provide the same skill sets in terms of the understanding of needs of State, local, and Tribal entities that I think the employees do.

So I want you to elaborate on that, I would also like you to talk about the ITAC-G, the Interagency Threat Assessment Coordination Group, which has been the tool, although not as robust as we would like, to incorporate State, local, and Tribal people in the preparation of intelligence products at the Federal level.

So could you address those two issues in 4 minutes, please?

Mr. JOHNSON. Certainly. Regarding the contractors, it is right now about 60 percent contractors, 40 percent governmental. I come from a world where there were no contractors. You did what you had to do to make the job work. I do now understand that oftentimes there are a need for contractors for very specific reasons, but not to run the organization, not to have governmental people defer their decisionmaking process to those contractors.

So what we are going to try to do by the end of 2010 is to flip that number as a start point and then develop a plan. I had an off-site yesterday. This was a priority for me. I need to come up with a plan. I don't have the plan now, but I assure you that we will have a plan and work very, very gainfully and proactively and aggressively to try to make that flip and then use that as a start point. It is not an endpoint. We need to continue to work forward in that regard.

Regarding the ITAC-G, I am very familiar with the Interagency Threat Assessment and Coordination Group. I sat on the other side of the table from the DHS employees and I sat alongside with Kerry Sleeper, the former director of the Vermont State police, and we clearly illustrated to the Department of Homeland Security why the needs and the requirements and the thought process of State, local, and Tribal and the private sector need to be borne into the production process, the writing of reports, and basically the "so what" factor. That is not to criticize the expertise of the intelligence community, but they write for a different customer. We are the customer. So you can't have a better integrator, I think, sitting at this table now, now bringing that experience to I&A as a whole. So you have somebody on the inside.

So I have been working with those detailees. I know those detailees. I recruited those detailees to the ITAC-G and I am going to continue to do that. I worked very closely with Director Mike Leiter. I respect him and I know him and I have committed to working with him, also.

I actually hosted my first ITAC-G advisory committee meeting, and we spoke about a lot of the things that we need to refine, refocus on, and really then to develop a plan to implement them. I think they have done a good job. Are they there yet? No, I don't believe they are, but it is not for a lack of trying. So I am going to do whatever I can by providing the support and direction that I need to get them to the next level and then at the same time build that same type of capability within I&A so everybody within the entirety of I&A are looking towards the needs of the State, local, and Tribal.

I see I have 1 minute and 20 seconds left. That is not to diminish the Federal people because I view a customs and border protection officer standing at the border stopping cars, interacting with people, falling into that same group of State, local, and Tribal law enforcement entities and those types of customer base, and that is my goal.

Ms. HARMAN. Well, thank you very much. You again stopped before time ran out and I just want to say a couple of things. No. 1, we share your assessment about Mike Leiter. We think the NCTC is a critically important entity. I now recall that some of that function was supposed to be in the Homeland Security Department, and first former President Bush set up the Terrorist Threat Integration Committee and then it morphed into the NCTC. But the close collaboration between your office, I&A, the ITAC-G, and the NCTC is what is going to make this whole function work best.

I think one of the things we may want to do soon is take a little road trip to see the NCTC. I have been there on several occasions. But to see it and to meet the ITAC-G folks who are now in place, and I take you at your word, you are going to add to their number and diversity because I think that will make all your products better.

My time is expired, and I now yield 5 minutes to the Ranking Member, Mr. McCaul.

Mr. McCAUL. I thank the Madam Chair. Let me commend you on your testimony and experience. State and locals are the eyes and ears on the ground and in the best position to apprehend any threat, terrorists certainly, and experience shows that and history shows that.

Two quick—I want to hit some issues on the budget. I offered an amendment to restore the funding. The appropriations committee came out with a \$345.5 million number for this division. The President's request is \$357 million. I had an amendment to restore that to the President's request. It was not made in order, unfortunately. So with the writing on the wall, how are you going to deal with that gap in funding? How is that going to affect your office?

Mr. JOHNSON. First of all, I appreciate your efforts. Second of all, we will work within the President's budget and whatever funding we are provided. We had an off-site yesterday. First of all, if we are going to start to convert contractors to full-time governmental employees, that should result in a cost savings. We are reevaluating the workforce, setting the priorities, and the priorities are going to be State, local, and Tribal fusion centers. Priorities are going to be the suspicious activity reporting, priorities are going to be training for analytical expertise within those fusion centers. There is going to be training for our own cadre. We are going to be cross-fertilizing detail people into I&A to get people from Commander McNamara, who is seated behind me from the LAPD, to have them understand what the needs and requirements are on a more timely basis. So instead of spending a year there, they are going to be dropped in for a month or 2 and then depart, have new people in. I am confident that the President's budget and whatever amendments and adjustments that have been made, we could work within that, and I am confident that no program will suffer any harm and will continue to move forward.

I would just like to add, I know this committee as a whole is very, very committed to State and local fusion centers at its current situation and there have been some enhancements to it, and I very much recognize it, appreciate it, and I know that is where it needs to be and I will continue to do that.

Mr. MCCAUL. Thank you. One other brief issue. The border intelligence efforts that you have in your office, I know the Department initiated the southwest border surge that would triple the number of intelligence analysts working at the southwest border to deal with the growing violence in the region. I come from a border State, Madam Chair does as well. This is a real concern for us.

Can you talk a little bit more about those efforts? I know you have created a new division, and of course from a resource standpoint I wish we could give you more. But can you comment on what you are doing?

Mr. JOHNSON. Certainly. We have the Border Focus Group. It is run by Tim Sampson. I am very familiar with the northern border coming from New York State and all the challenges associated with it, somewhat familiar with the southwest border. I was there once. I plan on going back there again. We have the Homeland Security intelligence support team situated at EPIC. I know Mr. Art Doty. He is a real champion at EPIC for all these efforts. Assistant Secretary Ted Sexton is very much involved. Mr. Burson I have met with. The one concern that I had was the number of intelligence efforts that are underway and whether or not they are connected to one another. Through those conversations and interactions I no longer have that concern. I believe they are interrelated. I am tasked with developing a plan to come together with the intelligence efforts. I spoke to Mr. Tony Placido of the DEA, whom I have known for a long period of time from New York. We are going to be connected at the hip to co-chair that effort, to make sure that whatever intelligence needs to get in the hands of the State, local, and Tribal and really let them know what we want, why we want it, where to send it, where they send it, what they can expect in return, and really develop a more robust feedback mechanism so they know that the information that they are providing is having value to solving the issues that exist.

Mr. MCCAUL. Thank you. I want to follow up with you on that specifically in the future. With the 20 seconds I have left, I do have to throw out, as the Chairman brought up, the report that came out of your office regarding right-wing extremists. Secretary Napolitano came forward and very candidly admitted that the ball was dropped, that mistakes were made, and that the vetting process would be applied next time. But can you tell us briefly what occurred with that report?

Mr. JOHNSON. Certainly. First of all, I believe that report could have been much better written and it should have focused on violent extremism, violent crime. That is where the linkages need to be made. The ball was dropped as it relates to not following the procedures that were established, and people need to be held accountable to that because I believe that is an anomaly that occurred. I believe that we need to do better than that, that we had the professional staff and the expertise to do better than that. I have been the recipient of many very fine resource-cited products,

and that is where we are and need to go and it is going to be enhanced.

So what am I doing about it? This afternoon at about 1:30 we are going to be meeting on that clearance process to make certain that it has within it the tenets that are necessary without diminishing the outflow of information and the analytical assessments that need to take place without it being influenced, to have people encumbered and be reluctant to produce what they need to produce. So it is a balance, but I think we are moving in the right direction to get what everybody needs in that regard.

Mr. McCAUL. I look forward to your leadership on that, and I yield back.

Ms. HARMAN. Thank you. The gentleman's time has expired. I now recognize Mrs. Kirkpatrick of Arizona for 5 minutes.

Mrs. KIRKPATRICK. Thank you, Madam Chair. Mr. Johnson, thank you for your excellent testimony. I, too, represent a border State, Arizona, and my district is largely rural. Rural law enforcement has seen an increase in human trafficking, drug smuggling, almost more than they can handle. I just want to know what efforts the fusion centers are making to work with rural law enforcement.

Mr. JOHNSON. Certainly. I just want to share a story with you. I stood up what I thought was the first intelligence center in the country, the New York State intelligence center, until I shared that conversation with Secretary Napolitano and she said I beg to differ, the Arizona center was the first center. So I stand corrected in that regard.

Mrs. KIRKPATRICK. Thank you.

Mr. JOHNSON. But Arizona has one of the most mature centers in the country, as do several locations, and I know there are a number of them in Texas also. What the fusion centers need to do is they need to engage with the county sheriffs, they need to engage with the smaller law enforcement organizations. The Federal Government can't do everything every time for everybody. So they need to rely on the fusion centers to really look at that anomalous behavior that reaches reasonable suspicion, that could be criminal in nature, and really have a reporting mechanism so it is received at the ACTIC, the Arizona Fusion Center. It is based on requirements, needs, awareness, and collection processes that formulate in the rule of law, and then know where to send it then. So what we are doing is we are working with the EPIC, the El Paso Intelligence Center with Art Doty to really be that clearinghouse to receive that information for one-stop shopping, and then sharing it with the Federal law enforcement community. There are dialogues going on, which I don't believe I can talk about, I apologize, in this venue, on the other side of the border.

So it is the lawful passing, you know, U.S. person, reasonable suspicious information back and forth on the border because you know that it is going to be an Arizona road trooper or county sheriff that is going to stop an individual with marijuana, with human smuggling. That is going to have pocket litter of the names of the individuals and the phone numbers, and there is going to be investigative leads. So those investigative leads need to go to the right person to be looked at, deconflicted so the best possible solution

could come from that information. So it is all about awareness and networking and getting everybody on the same page. But they perform a vital role in that regard, the fusion centers.

Mrs. KIRKPATRICK. Thank you. I appreciate your understanding of that, and they are going more and more to the back roads to traffic rather than using the highways, which causes even more stress on our local law enforcement. So I look forward to working with you on that. Thank you, Mr. Johnson.

Mr. JOHNSON. Thank you.

Ms. HARMAN. Thank you, Mrs. Kirkpatrick. We have a vote on a motion to adjourn. So what I think we will do is have questions for Mr. Dent for 5 minutes, and then we will recess this hearing and reconvene it in the Visitor Center in a setting where we can review the classified budget.

So, Mr. Dent, it is now your turn to ask 5 minutes of questions of the witness.

Mr. DENT. Thank you, Madam Chair, for accommodating me. Mr. Johnson, I am delighted you are here. Can you please explain the role of the DHS's Intel and Analysis and how it relates to the intelligence components of Homeland Security such as TSA's Office of Intelligence? I would like to just hear what you have to say about that issue.

Mr. JOHNSON. Certainly. What I look at is the No. 1 customer for me is the secretary, to support her, and then other customers and partners are the State and local fusion centers, which I spoke to, and then certainly the component agencies. In my current role I wear two hats, No. 1 being the under secretary with the intelligence community and then equally important is the chief intelligence officer for the Department. Building the intelligence enterprise and each of the component agencies are part of that.

So I had a meeting on that the other day, the Homeland Security Intelligence Committee, during which time there were representatives from TSA, CBP, ICE, Secret Service, and all the other component agencies. What I said to them is that as the CINT, the CINT has the responsibility to coordinate activities, not take over activities, not run activities, but try to coordinate it. Very similar to what the ODNI is doing with the intelligence community. I think it is a very good thing because it creates efficiencies, we have a general understanding of issues, elevating those issues, getting the support of the issues whether it be through the secretary or venues such as this. What I need to do is just make sure they get the intelligence support, the training, the connectivity, working with the intelligence community, getting them the access to the information that they need, the clearance, the processes, right to release tear-line information, all the different issues that you have been working with.

What do I expect from that? I expect to have access to their information so then it can be synthesized and translated for the State, local, and Tribal and then shared as appropriate with the intelligence community because a lot of information resident within the country does, and I know it does, have an impact on activities going on overseas, and conversely the information over there is very, very relevant to what TSA is doing and all the other component organizations that you mentioned.

Mr. DENT. I would also like to ask you, too, this committee used to continuously receive weekly unclassified intelligence summaries from TSA highlighting significant security incidents around the country. In February we stopped receiving those reports. These unclassified reports were, I think, very useful in highlighting real security threats the TSA has to manage and help us make better-informed decisions on the need for new technologies like the whole body imaging to defeat these threats, which, by the way, we had a problem with on the floor the other day.

Can you please tell me why these reports stopped coming to the committee? Would you commit to working with us to once again including us on the distribution?

Mr. JOHNSON. Yes, sir. I have heard that also and I understand that. I am reluctant to say why they stopped on January 21.

Mr. DENT. Could you help us resume them?

Mr. JOHNSON. They are going to resume. Please bear with me. Give me a little bit of time and we will work through it. We will work with your staff to get you the items and issues and topics that are relevant to you. But we will work with you on that point.

Mr. DENT. Okay. Thank you. I would yield back at this time.

Ms. HARMAN. Thank you, Mr. Dent. So, Mr. Johnson, thank you for your testimony in open session. It was a wow. We do have the sense, I think I can say this in a bipartisan basis, that you will be an able partner with this subcommittee focusing on accomplishing a mission that we share. There will be obviously a lot of work to do in accomplishing the mission fully. There is no such thing as 100 percent protection, but I think you will improve the odds by preparing products that are better suited to the questions that local law enforcement asks, by including the private sector in the distribution of materials and by bringing your own street cred to the game, and that is something that I think will be a game-changer, the background that you bring to this and the credibility that you have.

So again welcome, and we will now adjourn the public session, the public part of this hearing, and reconvene shortly after this vote in the House Visitor Center, Room 301. We will have staff off the House floor to lead those like me who never can find their way around that place. I am sure you already know where it is, Mr. Johnson. But for the rest of us, we will hope to find you there probably in about 15 or 20 minutes.

Mr. JOHNSON. Thank you.

Ms. HARMAN. The open portion of the hearing is adjourned.

[Whereupon, at 10:48 a.m., the subcommittee was recessed, to reconvene in closed session.]

