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ENSURING THE U.S. INTELLIGENCE COMMUNITY SUPPORTS HOMELAND DEFENSE AND DEPARTMENTAL NEEDS

HEARING

BEFORE THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

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MONDAY, SEPTEMBER 13, 2004

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 9:36 a.m., in room SH–216 Hart Senate Office Building, Hon. Susan M. Collins, Chairman of the Committee, presiding.

Present: Senators Collins, Lieberman, Stevens, Levin, Coleman, Pryor, Carper, Durbin, and Dayton.

Also Present: Senator Warner.

OPENING STATEMENT OF CHAIRMAN COLLINS

Chairman COLLINS. The Committee will come to order.

Good morning. This morning, the Committee on Governmental Affairs holds its seventh hearing on the recommendations of the 9/11 Commission to reform America's intelligence community. I commend my colleagues for their dedication to the vital mission assigned to this Committee, and I welcome the very distinguished witnesses that we have this morning, whose testimony will help guide us in this critical task.

We meet today after a somber weekend of remembrance. The anniversary of the September 11, 2001, terrorist attacks will forever be a day of tears and prayers for the victims and their families. On this third anniversary, tears and prayers were offered as well for the victims of terrorism in Russia and for their families. Now, as 3 years ago, the grief of people of good will knows no borders.

We, in government, have an obligation to do more than grieve. The massacre of the innocent school children in Beslan and of innocents in Bali, Istanbul, Madrid, Jerusalem, Jakarta, and so many other places, reminds us that terrorism has both a global reach and an unlimited capacity for cruelty.

We in government have an obligation to dedicate ourselves to the defeat of this enemy. The role of this Committee in this effort is to transform an intelligence structure built for the Cold War into one that meets the demands of the war against terrorism. Thanks to the hard work of this Committee and the many expert witnesses we have heard from as well as the efforts of the administration and other committees, this new structure is within our grasp. A recent news report put it this way: "The White House, both chambers of Congress, and members of both political parties are beginning to

sing from the same hymnal on overhauling the nation's intelligence agencies, but they are not all in the same key yet."

To continue the musical metaphor, I would add that although we are not perfectly in tune, neither are we tone deaf. We know that the American people expect a lot of us, and we know what we must do to meet those expectations. We know that the stakes are high, and we know that reform cannot wait. With each hearing, significant points of consensus are emerging. The need for a national intelligence director with sufficient authority to do the job effectively becomes more and more evident. The power of the National Intelligence Director (NID) position cannot inhibit the competitive analysis advantage that we gain from a vigorous intelligence community. Virtually every witness has endorsed a national counterterrorism center that will integrate our knowledge and coordinate our fight against global terrorism. Intelligence reform should enhance, not detract, from military intelligence and readiness.

There is also widespread agreement that the complex threats we face today and into the future require a new configuration that enhances information sharing. Larry Kindsvater, the deputy director of central intelligence, has described the situation this way: "No one and no organizational entity is actually responsible for bringing together in a unified manner the entire intelligence community's collection and analytical capabilities to go against individual national security missions and threats such as terrorism, North Korea, the proliferation of weapons of mass destruction and China."

Against that array of threats, we need unity, but we must also preserve the competitive analysis of the 15 members of our intelligence community. Our intelligence network needs a hub, but the Nation does not need a new bureaucracy. This hub, which I call the National Intelligence Authority, must be crafted so that we gain coordination, cooperation, and communication, and lose only our vulnerability.

As the title of this hearing indicates, the reform we undertake must be designed to meet the needs of both consumers and producers of intelligence. I am pleased that we have here today the extraordinary leaders of two such departments, Homeland Security Secretary Tom Ridge and Secretary of State Colin Powell. America has been fortunate indeed to have two such outstanding leaders in the war against terrorism.

As a nation, we should recognize how far we have come since September 11, 2001. The FBI, CIA and other intelligence agencies have undergone significant internal restructuring. We have created the Department of Homeland Security and the Terrorist Threat Integration Center. We have expanded the Joint Terrorism Task Force Program as well as the resources available to our first responders. The President, Members of Congress and, of course, members and staff of the 9/11 Commission have enhanced the cause of intelligence reform and put us on the path of continued progress.

Many details still must be resolved before the emerging consensus can be turned into real reform, but each day, we are advancing the goal. We know from the devastation at ground zero to the slaughter in Russia that our enemy is capable of anything.

Surely, we are capable of enacting true reform that will help to make us safer.

Senator Lieberman.

OPENING STATEMENT OF SENATOR LIEBERMAN

Senator LIEBERMAN. Thanks very much, Madam Chairman.

In regard to that hymnal you referred to, I think probably the best thing I can say is amen, sister. [Laughter.]

I think we are singing from the same hymnal, not just you and me but most of us who have been focused on the response to the 9/11 Commission's Report, and I appreciate it very much. I think that is encouraging. This is our seventh full Committee hearing since the 9/11 Commission reported at the end of July, and just as you said, I agree with you that not only have we proceeded deliberatively, but I believe that a consensus is emerging based not only on the Commission's report but also on the testimony that we have heard, that we need a national intelligence director with strong budget and personnel authority to make sure our enormous investment in intelligence gives us the national security we need and second that we need the National Counterterrorism Center and other centers to achieve something like the same jointness that is now a reality in our military, among our military forces.

Those are critical points of agreement that we have as we go forward, and I must say last week, the President added to the momentum and certainly deepened and broadened the consensus by, in fact, calling for a national intelligence director along the lines recommended by the Commission and similar to the consensus that I think is emerging here. "The President intends to give the NID full budget authority over the National Foreign Intelligence Program appropriation and the management tools necessary to successfully oversee the Intelligence Community." That was a very significant step on the road to genuine intelligence reform.

As we came back into session last week after the August break, we were a lot further ahead than most people ever thought we would be, not just in this Committee but in both houses; had many more hearings and much more deliberation than people thought. There are now those who are skeptical, as they were when the Commission issued its report about what we would do in August, that we will not be able to get a bill before the Senate before we break. I am convinced we will.

There are those who say OK, you will get it through the Senate, but they will never get a bill through the House, and you will never conference it before we break for the campaigns. I am convinced that we will. And I think one of the reasons we will is that we are just going to keep going straight ahead, as you have directed and led this Committee to do, to achieve that end.

I am very grateful to Secretary Ridge, Secretary Powell, that they are giving us their time and expertise this morning. Both of these departments, the Department of Homeland Security and the Department of State, will have obviously an important impact on our intelligence system and are also critical consumers of intelligence produced by the system. Each is affected in one way or another by the report of the Commission and by what we do.

I look forward to hearing from Secretary Ridge, particularly about the Information Analysis and Infrastructure Protection Directorate that has grown up under his new department and how it has related to the so-called TTIC and how he expects Homeland Security particularly to benefit from the creation of the National Counterterrorism Center.

The Commission also envisioned the Department of Homeland Security playing an important role in a new information-sharing network by ensuring among other things that State and local governments and the private sector are brought into the network, and that is a unique function that the Department of Homeland Security has begun to play, will play, and I think is very important as we talk about reforming our intelligence structures. The Commission also recommends that the Department of Homeland Security lead the effort to design a comprehensive screening system to improve border security, set standards for issuing birth certificates, driver's licenses, and other forms of identification and also screen all passengers for explosives. These are important and in some sense still controversial suggestions. I am generally in support of them, and I look forward to hearing what the Secretary has to say about them as well.

Secretary Powell, we are grateful that you are here. The Bureau of Intelligence and Research, INR, within the State Department is clearly an important part of the intelligence community with a reputation for real quality intelligence analysis. In the 9/11 Commission's assessment, it is one of the bright spots. It comes out with some of the higher marks in the intelligence community. The Commission has, interestingly, recommended that the budget of INR, as you know, not be put under the new national intelligence director. I would like to hear your reaction to that and also, how do we make sure, if that is the case, that INR is at the table? It would be a strange result if this intelligence office, which has done well, is not at the table to argue as a consensus about a particular case that is being formed.

Finally, we have naturally been focused on the threat of terrorism and how to beef up our intelligence with regard to terrorism. But America relies on intelligence for a lot more than the war on terrorism, though it is our focus today. The news from North Korea reminds us of how important intelligence is outside of the specific ambit of terrorist threats to us, and I want to ask you in that regard to assess to the best of your ability the impact of the kind of intelligence reform that we are talking about on the intelligence that you need as Secretary of State to make the judgments you need to make about a situation as complicated and as critical as the question of whether North Korea not only has nuclear capacity but whether it has exploded a nuclear weapon.

So these are critical questions which you two uniquely can assist us in reaching reasonable judgments on. I thank you for being here, and again, I thank you, Madam Chairman, for setting the pace that you have for the Committee with the purpose that we have had that I am confident will lead us to the reform that we need. Thank you.

Chairman COLLINS. Thank you, Senator Lieberman.

I would now like to call on our first witness, Secretary Powell. Again, thank you both for being here today. I know you are extraordinarily busy.

Senator STEVENS. I hope my friend will not object, but I would like to just make one comment, if I may.

Chairman COLLINS. Absolutely.

Senator STEVENS. And that is as Chairman of the Appropriations Committee—incidentally, I am a monotone, so I am not sure I am on the same page of music that you are looking at yet. [Laughter.]

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. First, let me tell you as a former Chairman on this Committee, I think you have done a grand job on these hearings so far. But the Appropriations Committee next week will start a series of hearings. I think there are people who have not been heard yet, and I intend to have the Appropriations Committee be a forum to listen to those people who are really on the edge of what you are doing and have some comments, I think, based upon experience that we should listen to from the intelligence community. Those will start on September 21.

Chairman COLLINS. Thank you, Senator. We appreciate your expertise and your advice as we proceed in this important task. You certainly have many years of experience that you can draw on, and we look forward to continuing to work closely with you.

Senator STEVENS. I will try to learn how to sing.

Chairman COLLINS. We have signed you up for lessons.

Secretary Powell, please proceed.

TESTIMONY OF HON. COLIN L. POWELL,[1] SECRETARY, DEPARTMENT OF STATE

Secretary POWELL. Thank you very much, Madam Chairman. I do have a prepared statement for the record, which I would like to offer and then provide a shorter statement and oral presentation.

Chairman COLLINS. It will be included in full in the record.

Secretary POWELL. Thank you very much, Madam Chairman, Senator Lieberman, and Members of the Committee. I am pleased to be here today with my colleague, Tom Ridge. I must say I am taken aback by all these musical metaphors. You obviously have not seen my performances on the international stage around the world. [Laughter.]

But I am pleased to have this opportunity to share with you my thoughts on the reform of the intelligence community.

I have been a consumer of intelligence in one way or another throughout my 40-plus years of public service. From the tactical level on the battlefield as a second lieutenant to the highest levels of the military, as Chairman of the Joint Chiefs of Staff, National Security Advisor and now as Secretary of State, and I hope that I can offer some helpful insights from the perspective of the conduct of America's foreign policy.

Before I start, though, let me add my thanks to those of millions of other Americans, to the members of the 9/11 Commission for their careful examination of what went wrong during the run-up to

[1] The prepared statement of Secretary Powell appears in the Appendix on page 43.

that terrible day 3 years ago and for their thoughtful recommendations to ensure that nothing like that can ever happen again. And let me also thank you, Madam Chairman, and the Members of the Committee for the dedication that you have applied to this task over the last several weeks, and I hope that you are able to complete your work, as Senator Lieberman said, before adjournment.

Madam Chairman, let me say at the outset that I fully support President Bush's proposals on intelligence reform. A strong national intelligence director is essential. That strength is gained primarily by giving the NID real budget authority. In that regard, the President's proposal will give the NID the authority to determine the budgets for agencies that are part of the National Foreign Intelligence Program. As recommended by the 9/11 Commission, the NID will receive funds appropriated for the NFIP, and he or she will have the authority to apportion those funds among the NFIP agencies.

The NID will also have the authority to transfer funds and to reprogram funds within the NFIP as well as approval authority for transfers into or out of the NFIP. The President has empowered the NID in other ways as well. For example, in addition to the budget authority I have just described, the NID must concur in the appointment of heads of intelligence community agencies if those appointments are made by Department heads, and if the appointments are made by the President, the recommendation to the President must be accompanied by the NID's recommendation.

Additionally, the NID will have authority to establish intelligence requirements and priorities and manage collection tasking both inside and outside the country, also to resolve conflicts among collection responsibilities and also to ensure full and prompt information sharing, to include making sure that all agencies have access to all intelligence available and needed to carry out their missions and to perform independent analysis and finally to establish personnel administrative and security programs for the intelligence community.

The President's proposal does not adopt the 9/11 Commission's recommendation that the NID have deputies from DOD, CIA and the FBI. President Bush believes that we need clear lines of authority, and to have in the structure people who have to report to two different masters would not contribute to clarity of responsibility and accountability. The President's proposal does put the National Counterterrorism Center under the supervision of the NID; moreover, if any other such centers were judged necessary, those, too, would fall under the NID. For example, the President has requested that the Robb-Silverman Commission look at the possibility of a weapons of mass destruction center.

To give the NID the sort of independent help that he will require to do his job, the President's proposal includes a Cabinet-level Joint Intelligence Community Council, upon which I and my national security colleagues would sit. This council would advise the NID on setting requirements, on financial management, to include budget development; on establishing uniform policies and on monitoring and evaluating the overall performance of the intelligence community. Perhaps later, Madam Chairman, as we discussed before the hearing, I can give you a little experience of what the Joint Chiefs

of Staff are like and how they operate and how there are some parallels to how this council might operate.

Finally, the President's proposal would require important changes to the 1947 National Security Act, changes I know that members of this Committee will be looking at carefully. An example of such a change would be the plan to establish the new position of the Director at the CIA and to define the responsibilities of that agency, responsibilities that will continue to include the authority for covert action and the need to lead in the area of human collection.

Madam Chairman, I know that this Committee will look closely at the President's proposal. I have been in government long enough to know also that you and the other Members of Congress will make changes to the President's proposal. Of course, that is your priority; nay, it is your duty as the people's representatives. As you and the other Members of this Committee and the Congress are reviewing the President's proposal, and as you are considering what the final product of your very important deliberations will actually be, I would ask that you take into account the unique requirements of the Secretary of State, the Department of State and of the conduct of foreign policy for which I am responsible to the President and to the American people.

Let me give you some insights, if I may, on why the Secretary of State's needs are somewhat unique but why they, too, would be well-served by such reform as President Bush has proposed. Diplomacy is both offensive and defensive in its application. At the State Department, we are the spear point for advancing America's interests around the globe. We are also a first line of defense against threats from abroad. As such, our efforts constitute a critical component of national security.

Our efforts must not be seen as an afterthought to be serviced by the intelligence community only if it can spare priorities and resources from other priorities which they consider higher. Madam Chairman, the old adage that an ounce of prevention is worth a pound of cure describes what I am implying to a tee. Our needs are as great as any other consumer of intelligence in the U.S. Government. In that regard, there are a few critical considerations that should be borne in mind as we, the administration and the Congress, design an intelligence establishment for the 21st Century.

First, as Secretary of State, I need global coverage all the time. This does not mean that the intelligence community should cover Chad as robustly as it covers North Korea, but it does mean that I need intelligence on developments in all countries and regions. I need it to provide information and insight to our ambassadors around the world and to those of us in Washington. We all must deal on a daily basis with problems that range from the impact of instability in Venezuela or Nigeria on world oil prices to ethnic, religious, regional, and political conditions that challenge our values, spawn alienation and terrorists, threaten governments friendly to the United States and impede or facilitate the export of American products.

Many times in my career, I have found myself dealing with a crisis in a country that was on no one's priority list until the day the crisis hit. That is why we have to think comprehensively and not

set aside any part of the world or any country of the world as not being of interest to us.

Second, as Secretary of State, I need expert judgments on what is likely to happen and not just an extrapolation of worst-case scenarios. The intelligence community we now have provides fantastic support to the military, both planners in Washington and commanders in the field, and it should do that. In many cases, its organization, priorities, allocation of resources and mindset have evolved specifically to support military planning and operations. Worst-case scenarios are prudent and are often sufficient for my colleagues in the military, and I certainly remember the days when I got these kinds of analyses, and they were so useful, but they are generally not quite as useful to the conduct of diplomacy.

They are not because in the world of diplomacy I need to know what is most likely to happen as opposed to just the worst case. What will influence the course of events? What will it take to change the course of events? And how much diplomatic capital or other blandishments will it take to achieve the foreign policy goals of the President in specific circumstances? What usually happens or what you must deal with is something often far short of the worst case.

An old rule that I have used with my intelligence officers over the years whether in the military or now in the State Department goes like this: Tell me what you know, tell me what you do not know, and then, based on what you really know and what you really do not know, tell me what you think is most likely to happen. And there is an extension of that rule with my intelligence officers: I will hold you accountable to what you tell me is a fact, and I will hold you accountable for what you tell me is not going to happen because you have the facts on that, or you do not know what is going to happen, or you know what your body of ignorance is, and you tell me what that is.

Now, when you tell me what is most likely to happen, then I, as the policy maker, have to make a judgment as to whether I act on that, and I will not hold you accountable for it, because that is a judgment, and judgments of this kind are made by policy makers, not by intelligence experts. And I think this has been a rule that has been very useful to me over the years, and it allows my intelligence organizations to feel free to give me the facts but also feel free to give me the most likely occurrence knowing that I bear responsibility for making decisions based on that middle range of information on the basis of that middle range of information on what is most likely to happen.

The needs of diplomacy require more than a good ability to imagine the worst. They require real expertise, close attention and careful analysis of all source information. To be helpful to me and my colleagues in the Department of State, many of whom are extremely knowledgeable about the countries and issues they cover, the intelligence community must provide insights and add value to the information that we already collect through diplomatic channels. When the intelligence community weighs in with less than this level of expertise, it is a distraction rather than an asset.

Third, to do my job, I need both tailored intelligence support responsive to, indeed, able to anticipate my needs, and I need in-

formed competitive analysis. Precisely because my intelligence needs differ from those of the Secretary of Defense or the Secretary of Homeland Security or the Secretary of Energy, not to mention the unique requirements of our military services, I am not well-served, nor are they, by collectors and analysts who do not understand my unique needs or who attempt to provide a one-size-fits-all assessment.

I am well-served by my own intelligence unit; as you noted, was noted by many observers, the Bureau of Intelligence and Research or INR, and I am pleased to have with me the director of that Bureau, Tom Finger. Raise your hand, Tom. INR draws upon comparable and complementary expertise elsewhere in the intelligence community, and it must be able to do this in order to function at its best. To respond to Senator Lieberman's point earlier, INR must have a seat at the table. It has a seat at the table now. Tom and his folks have no reluctance to engage with the other elements of the intelligence community, and as we put this new design in place, we have to make sure that this access is as great as ever.

But INR is principally a staff agency of mine, not like all of the other intelligence organizations that we will be examining in the course of these proceedings. Any reorganization of the intelligence community must preserve and promote intelligence units that are attuned to the specific requirements of the agencies they serve. Such units should be designed to ensure their independence and objectivity but at the same time be sufficiently integrated into the parent organization to ensure intimate understanding of what is needed, when it is needed, and how it can most effectively be presented to policy makers.

That is the relationship that I have with INR. My INR must be able to recruit and retain genuine experts able to provide real value to the policy making process. This requires appropriate and different career paths and training opportunities. We need specialists in INR, not generalists, late inning relief pitchers and designated hitters, not just utility infielders.

For example, INR is in close touch with all of our embassies, in close touch with the regional bureau chiefs of the Department of State. I see Mr. Finger every single day. If he is out of town, I see his deputy. We have a morning staff meeting where all of my principal officers come together, and so, anything that is going on, I will see Tom face-to-face at 8:30 in the morning and get his assessment.

Over the course of the day, a steady stream of INR material comes to me. His predecessor, Carl Ford, changed the way we were doing business at the beginning of the administration, where once a day, all of us would get a huge packet of everything that had been going on. We essentially disassembled it, so that, during the course of the day, I might get 10, 15 or so individual items from INR with a quick summary of what the item is all about and then the item underneath, so I can rapidly see if it is something I need to look at right then, save it for later in the day or just note it and move it on so that we have a steady stream of real-time information and analysis coming in to me in addition to what I get from CIA and so many other sources. But INR gives it to me in a context that fits my diplomatic and foreign policy needs.

North Korea is a good example that you mentioned a few moments ago, Senator Lieberman. When the stories broke over the weekend about some explosion taking place in North Korea and some speculation as to whether it was or was not a nuclear explosion, my instincts told me it was not a nuclear explosion, not where it happened. It was not in a place we would have expected it, and so I was immediately skeptical. But within a short period of time, INR was able to provide me all the information I needed to make a judgment that I felt confident in going on television yesterday morning on talk shows and saying no, it was not a nuclear explosion. And as you know, the North Koreans have announced today that they were doing some demolition work for a hydroelectric project, and they are inviting visiting foreign officials, especially from the United Kingdom, to visit the site.

INR kept me informed all day yesterday, and first thing this morning, when I got to the office at 6:35 a.m., material was waiting from INR, knowing not just whether it happened or did not happen but knowing what my specific needs were to deal with that situation. An hour and 20 minutes after INR made sure I was well-informed this morning, the South Korean foreign minister calls me to share notes and talk about what is happening in the area of nuclear weapons development in North Korea. And so, INR knows what my diplomatic needs are as well as my information, intellectual and intelligence needs are.

Fourth, we also need to take advantage of complementarities, synergy, competitive analysis and divisions of labor. While it is imperative to have more than one analytical unit covering every place and problem, it certainly is not necessary or sensible for everyone to cover everything. Nor does it make any sense to pretend that every unit of the intelligence community is equally qualified to make judgments on all issues. You would not give your dentist a vote on the proper course of treatment for a heart problem, and we should not derive much comfort or confidence from any judgment preceded by what "most agencies believe." It is not good enough any longer.

What I need as Secretary of State is the best judgment of those most knowledgeable about the problem. INR and the Department of State more broadly are home to many specialists who are experts on topics of greatest concern to those charged with implementing the President's foreign policy agenda. But INR is too small to have a critical mass of expertise on almost anything. INR and the Secretary of State need comparable and complementary expertise elsewhere in the intelligence community. I rely on all of these others so much.

This additional expertise ensures that as much information and as many perspectives as possible have been considered, that differences are highlighted, not muted, and that the sum total of intelligence requirements can be met by combining the different expertise of all intelligence community constituent agencies.

Madam Chairman, it is equally important to recognize and capitalize on the role departmental units such as INR play in the overall national intelligence enterprise. For example, INR is not just an outstanding analytical unit, it is also the primary link between diplomats and the broader intelligence community, as I noted. Special-

ists who understand collection systems and the unique capabilities of other analytical components anticipate, shape, communicate, and monitor tasking requests that ensure that I receive the information I need when I need it in a form that I can use.

The links among policy makers, analysts and collection and operations specialists are very short in the Department of State. We have short internal lines of communication, fast lines of communication, and this is critical to ensure that my diplomats around the world obtain the intelligence support they need when they need it and the intelligence support that they deserve.

Departmental units like INR, structured and staffed to provide high-value support to their primary customer sets also support other components of the national security team. We know that INR products are read and used by analysts, policy makers and commanders around the world who do not have comparable in-house expertise or who want a second opinion on subjects of importance. The de facto division of labor within the IC that results in part from the promotion and existence of departmental units is critical to the strength and health of the overall intelligence enterprise.

Let me make one other point, Madam Chairman. The intelligence community does many things well, but critical self-examination of its performance, particularly the quality and the utility of its analytical products, is too often not one of them. Thousands of judgments are made every year, but we have got to do a better job of subjecting all of those judgments to rigorous post-mortem analysis to find out what we did right as well as what we did wrong. When we did something wrong, why did we do it wrong to make sure we do not do it wrong again? We have to have alternative judgments in order to make sure that we are getting it right.

Senator Pat Roberts' proposal, for example, talks to this issue and assigns responsibility for conducting post hoc evaluations to a new Office of the Inspector General. I think this is a good idea. One can imagine other places to locate this responsibility and other ways to achieve the desired end, but any reform scheme should include independent review of analytical products.

One more point if I may, Madam Chairman, then, I will stop and yield the floor to my colleague, Tom Ridge. As you know, President Bush has issued an executive order to improve the sharing of information on terrorism. We need to extend its provisions to intelligence on all subjects. In this regard, simple but critical guidelines would include separation of information on sources and methods from content so that content can be shared widely, easily and at minimal levels of classification.

For this to work, collectors must have clear ways to indicate the degree of confidence that the information is reliable and user-friendly procedures for providing additional information to those who need it. Changes implemented by former DCI George Tenet earlier in this year and incorporated into the production of NIEs are an important step in this direction, but we can and must do even better.

Similarly, decisions on who needs information should be made by agency heads or their designees, not collectors. Every day, I am sent information that can be seen only by a small number of senior

policy makers who often cannot put the reports in the proper context or fully comprehend their significance. Intelligence is another name for information, and information is not useful if it does not get to the right people in a timely fashion.

And finally, we must do something about the problem of overclassification. Today, the intelligence community routinely classifies information at higher levels and makes access more difficult than was the case even at the height of the Cold War. Now, by extension, I might say that my folks around the world, even on nonintelligence matters, just reporting what is going on, we tend to overclassify as well, and we have to do a better job of making sure that things are not overclassified so that these items can be shared more widely and therefore more effectively.

We need a better sense of balance and proportion. It is not good enough for intelligence to reside on a highly classified computer system. If it is to be useful, it has to be available so that it can be used.

One final point to respond to a point that Senator Lieberman made with respect to INR. INR has a budget of roughly $50 million a year. It is inside of my appropriation, but it is known and carried also in the intelligence community overall budget, and I think I would like to keep it that way, and I would protect it in that manner as we move forward.

I have slightly over 300 very qualified folks working in INR. They have a tenure of roughly approaching 15 years in the work. So these are experts. They do not move around a lot. They are not part of the floating group of individuals who go around the world. They are both Foreign Service officers as well as civil servants, a large component of civil servants who have dedicated themselves to a particular expertise or a particular field of endeavor, and I am very proud of each and every one of them.

Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Secretary Ridge.

TESTIMONY OF HON. TOM RIDGE,[1] SECRETARY, DEPARTMENT OF HOMELAND SECURITY

Secretary RIDGE. Thank you. Good morning, Chairman Collins, Senator Lieberman, Members of the Committee. First of all, let me thank you for including the Department of Homeland Security in this very important discussion. While we may be less than 2 years of age, we are both producers and consumers of intelligence, and we are pleased to testify before you with our colleague and my friend Secretary Powell.

I am very pleased to have this opportunity to discuss important new initiatives undertaken by President Bush to enhance our intelligence capabilities and strengthen our ability to fight the war on terror. This is particularly timely in the wake of the thoughtful and thorough recommendations made by the Commission on the Terrorist Attacks on the United States.

As the Commission recognized in the aftermath of September 11, it was clear that the Nation had no centralized effort to defend the country against terrorism, no single agency dedicated to homeland

[1] The prepared statement of Secretary Ridge appears in the Appendix on page 49.

security. And as all of you know, these tragic attacks required a swift and drastic change to our understanding of what it means to secure America.

With your help, the Department of Homeland Security was established to bring together all of the scattered entities and capabilities under one central authority to better coordinate and direct our homeland security efforts. In the span of our 18-month existence, we have made tremendous progress. And I want to thank the Commission and the Congress for recognizing and supporting the tremendous strides we have already made. That does not mean, however, that there is not quite a bit of additional work to do. And nowhere is this more important than with our intelligence operations.

Every day, terrorists are at work to discover a vulnerability, to uncover a gap in our substantial network of layered security. Every day, hundreds of pieces of information come to us, some of which the public is aware, such as the recent al-Zarqawi tape and information gleaned from the tragedy of the school in Beslan, and much that the public never hears about.

Intelligence gathering and sharing will always be at the center of our efforts to prevent an attack. That is why improved coordination and cooperation across all elements of the intelligence community has been an absolute imperative of the homeland security mission and one that the President has fully embraced and addressed with recent reform initiatives.

Since the inception of the Department of Homeland Security, we have improved intelligence capabilities and information sharing with our partners across all levels of government and the private sector. The President has directed a number of important initiatives to be taken to further reform our intelligence collection and analysis. As Secretary Powell mentioned last month, he issued a series of executive orders implementing some of these reforms.

The President established the National Counterterrorism Center, which will build on the important work already underway at the Terrorist Threat Integration Center or TTIC. TTIC itself was an initiative of this administration that recognized the need for a centralized approach to terrorist threat assessments for the Nation.

This new center, the National Counterterrorism Center, will become our Nation's shared knowledge bank for intelligence information on known or suspected terrorists. It will centralize our intelligence efforts and help to ensure that all elements of our government receive the information they need to combat terrorist threats. It will provide a better unity of effort within the intelligence community and improve our linkage with law enforcement.

By enhancing the flow of critical information, we will greatly enhance our ability to do our job protecting Americans and securing the homeland.

The President has also directed that additional actions be taken to improve the sharing of terrorism information among agencies and that needed improvements be made in our information technology architecture. Last week, as has been previously mentioned by both Senator Collins and Senator Lieberman, the President announced yet another important step in his reform agenda. In a meeting with senior Congressional leadership, he conveyed his strong support for the creation of a national intelligence director.

The creation of both the national intelligence director and the new counterterrorism center were recommendations by the 9/11 Commission and embraced by our President. They are critical building blocks to enhancing our Nation's intelligence system. Under the President's plan, the national intelligence director would be given full budget authority over the national foreign intelligence program appropriation. The director will also be given responsibility for integrating foreign and domestic intelligence and would be provided with the management tools necessary to effectively oversee the intelligence community.

The director will report to the President and serve as the head of the U.S. intelligence community. He will be assisted in his work by a cabinet level Joint Intelligence Community Council. The council is critical to ensuring sound advise to the national intelligence director as well as the opportunity for departments to shape priorities together. The new director provides centralized leadership for our national intelligence efforts and will ensure a joint, unified effort to protect our national security.

The Department of Homeland Security will play an important role within this new structure and will directly benefit from the centralized leadership and the enhanced flow of information it will provide. The Department of Homeland Security's Office of Information Analysis will participate in the new counterterrorism center. As a member of the intelligence community, it will have full access to a central repository of intelligence information.

DHS and other members of the intelligence community will now go to one place that will formulate an integrated approach to consolidated threat assessments and related intelligence and planning support. This centralization is critical to our efforts. The new integrated structure will create a more open flow of information, leaving DHS better-informed regarding terrorist threats and better able to address vulnerabilities and therefore secure our country.

Just as important, we can effectively and efficiently channel that information to those who need it by using new communication tools such as the Homeland Security Information Network. Again, as several of you have previously described, it is important to get this information to those who can act upon it, and one of the responsibilities of the Department of Homeland Security was to not only participate in the interdepartmental sharing of information at the Federal Government but from a top to bottom information sharing scheme with our partners in State and local government as well as the private sector.

The Homeland Security Information Network is a real-time, Internet-based collaboration system that allows multiple jurisdictions, disciplines and emergency operations centers to receive and share the same intelligence and the same tactical information. This year, we have expanded this information network to include senior decisionmakers such as governors and homeland security advisors in all 50 States as well as the top 50 major urban areas.

It was an ambitious goal but one that we met ahead of schedule, and we are still working, namely to provide increased security clearances and secret level connectivity not only at the State level but also for private sector leaders and critical infrastructure owners and operators.

In order to increase compatibility and reduce duplication, we are also working to integrate this information network with similar efforts of our partners in the Federal Government, particularly the Department of Justice, to include the Law Enforcement Online and the Regional Information Sharing System. And all of our Federal partners as well as many others participate in the Department's new Homeland Security Operations Center. This 24-hour nerve center synthesizes information from a variety of sources and then distributes the information, bulletins and security recommendations as necessary to all levels of government and to the private sector.

Our progress in intelligence and information sharing, I believe, demonstrates the links we have made between prevention and protection. By establishing a comprehensive strategy combining vulnerability and threat assessments with infrastructure protection, we are taking steps daily to protect the public and mitigate the potential for another attack.

The focus today is on the President's actions to strengthen and to unify our intelligence efforts. However, there is a whole breadth of issues that are covered by the findings and recommendations of the Commission which I think are both indicative of and also insufficient to capture the full scope of the department as well as our mission. This Committee faces the important work of building upon the President's initiatives and the 9/11 recommendations to strengthen and improve our intelligence capabilities. I commend your efforts in this area and in examining and assessing the important work of the 9/11 Commission.

We at DHS look forward to working with this Committee and with the Congress as a whole in this extremely important endeavor.

Chairman COLLINS. Thank you, Mr. Secretary.

I am going to call on Senator Stevens first for questions, because he has to leave at 10:30. Senator Stevens.

Senator STEVENS. Well, thank you very much.

I have just one question to my two friends: During my time here, I think I have been exposed to intelligence briefings on economic, particularly financial, political—particularly in the area of the threats to some of our basic friends and allies throughout the world— and scientific—particularly in terms of new technology. I think it has come from not only the State Department but the Energy, Commerce, Justice Departments, and other entities.

Now, you have INR, Secretary Powell. Do these other agencies continue to have a need for the ability to collect their own intelligence, and if so, should that be in any way under, or should the people be responsible to the NID if we create one?

Secretary POWELL. I am reluctant to speak for all of my other colleagues in the Cabinet. I think every Cabinet officer, Treasury, Energy and others, has their own unique requirements. And they should be in a position to make a judgment as how to best satisfy those requirements in their own internal intelligence organization that analyze those requirements.

What we have is a collection system, CIA and so many other collection agencies, that bring in information. And that information has to be sorted through and analyzed, and it has to be organized

in a way that serves these different parochial needs. Secretary Snow, Secretary Ridge, and Secretary Abraham have a different need than I do. And so, they have to be able to have an organization or some means of getting that part of what has been collected that is relevant to them and then to analyze that in greater detail.

And I think if we did anything that damaged that process or damaged that system, we would regret it later. So in the case of INR, I think INR has demonstrated that it does that very well for me. It is protected in the President's proposal, and frankly, it is protected in all of the other proposals that are before the Congress. At the same time, I believe INR has to be seen not just as my organization but as an organization that participates in the work and the processes of the overall intelligence community, and I think the NID should have the ability to concur in who I select as the director of INR. If he and I have a disagreement, then we will take that to the President.

And so, I am prepared to do what is necessary to show that INR is a contributing member to the overall work of the intelligence community but first and foremost serves my diplomatic needs.

Senator STEVENS. Do you have collection as well as analytical capabilities?

Secretary POWELL. My organization—and Tom will shake his head one way or the other as I say the following—is principally an analytic organization, not a collection organization. It uses the information that has been gathered by the CIA, by NSA and by service organizations, by energy-specific collectors. We are an analytic organization that takes this body of information and extracts from it that which INR knows I need and the President needs and other Cabinet officers need with respect to foreign policy issues and the diplomatic perspective.

Senator STEVENS. Secretary Ridge, do you have any comment on that?

Secretary RIDGE. Yes, I do, Senator. As you well know, not only is our Assistant Secretary for Information Analysis a part of the intel community, but the U.S. Coast Guard is. And we look at both of these entities as generating intelligence that at some point in time is quite relevant to the National Counterterrorism Center. I might add that within the Department of Homeland Security, we have other agencies that acquire transactional information that ultimately may be helpful to the threat assessment and the responsibilities of the NCTC.

For example, at our borders, we often secure information about individuals as well as conduct, and so, we have the Customs and the Border Patrol and the Immigration and Customs Enforcement. And as we continue to build and then sustain the relationship we have with the State and locals, conceivably, we might collect information up through that chain from either the private sector or the State and local government with regard to surveillance, reconnaissance or unusual activity that may be necessary for the National Counterterrorism Center to know.

So I would say to you that we both produce and consume, but I think it is very important, given the unique responsibilities of the Department of Homeland Security that we do not cede this author-

ity to the NID, particularly in the transactional piece as well as the Coast Guard.

Senator STEVENS. Well, my mind goes back to an interagency briefing we had for the Senate, Senate Appropriations, in preparation for an international economic meeting. And it was multiple agency, and they had multiple collectors within those agencies. I just wonder what could happen to that expertise that is out there in almost every agency that is related to the future of the country as much as, probably not as significant, but as much as counterterrorism and the military intelligence. This intelligence of economic and scientific basis really has a lot to do with our future economic development, and I do not see anyone yet talking about how or if they survive and whether they are subject to control by the NID.

I understand what you say, Colin, about your checking your director with the NID, but does he have to approve your people that you employ?

Secretary POWELL. No; the way it has been visualized to this point INR works for me just as it always has in the past. There is no change to INR. I justify its staffing before committees of Congress and its funding before committees of Congress, and we want it to be a player in the interagency process with the community, but INR will keep doing what it has been doing.

Senator STEVENS. Thank you very much.

Thank you, gentlemen, for your courtesy.

Secretary POWELL. I might make one point before the Senator leaves, and that, of course, there is another collection that is taking place that is not CIA or NSA, and that is just all of the diplomatic reporting that comes in from our embassies all over the world, and those cables come in, and they contain information that often adds to the intelligence collection system not often for that purpose.

And that will always be there, and so, we are in a sense a collector as well as all of the other intelligence organizations.

Chairman COLLINS. Thank you. Senator Lieberman, why do you not go next?

Senator LIEBERMAN. Thanks, Madam Chairman.

Again, thanks to both of you for excellent testimony.

Secretary Powell, as I said in my opening remarks, you really have a unique position in the intelligence community, and it is very important to us to have heard from you today, because you are not only a producer of intelligence; you are a consumer in areas other than terrorism, and you give us in your testimony, I think, some very important guidelines and directions that we should follow to achieve the broader reform of intelligence that we want.

I am struck by some of the things you said, and I just want to highlight them—that the goal of the NID, you say, is to ensure full and prompt information sharing, to include making sure that agencies have access to all intelligence needed to carry out their missions and to perform independent analysis. My own interpretation of some of the things that you have said later in your statement is that we have not achieved that goal yet, and that is part of what we need from the NID.

I was particularly struck by your comparison of the needs of the military for intelligence and the needs of other agencies, including

particularly your own, and part of what is going to happen if we create this national intelligence director correctly is not, I hope and I am sure you hope, that we diminish the intelligence available to our war fighters, but we make sure that there is equally relevant, helpful information to other decisionmakers in our government, including the Secretary of State in your capacity to both form our foreign policy and advise the President of the United States about the decisions that he has to make.

And I am struck that you are saying that the intelligence community, we have provided fantastic people to the military, but by those standards not as useful, as you say, in the world of diplomacy. And I think that really should guide us as we go forward. Am I reading you correctly or hearing you correctly?

Secretary POWELL. Yes, the war fighters have to be given what they need when they are going into combat, and you have to be able to count things, see the battlefield, get all you can about enemy intentions, what the enemy is going to do. That is becoming more difficult. In the old days, when I was a much younger man and a soldier in the field, they told me about where divisions and corps were and how I would fight them. When I was a corps commander in Germany, I knew all I needed to know about the Eighth Guards Army that was facing my corps, the Fifth Corps, and I knew where they were coming, how they were coming, at what rate they were coming. I knew how to attrit them as they came.

But that enemy is gone. It is a different kind of enemy now that does not quite give you that sort of target. So our war fighters have much more challenging needs now, and the intelligence community has to change in order not just to be able to count the Eighth Guards Army along the Iron Curtain but what is happening, for example, inside Sadr City, a much more difficult target.

Senator LIEBERMAN. Right.

Secretary POWELL. But as we chase those targets, as we try to get to the bottom of that, do not forget that the diplomacy of the United States and the diplomats I have around the world and the judgments I have to make also require dedicated assets and the best we can do to divine the intentions of foreign leaders and their ability to act on those intentions. And it tends to be a softer, not quite as pleasant a task, and we cannot have an intelligence system that is so focused on one of the needs of the government overall that it ignores other needs.

Senator LIEBERMAN. I appreciate the answer.

In other parts of your opening statement, you go, I think, quite strongly into the questions of the way in which information is classified, and maybe it is overclassified now. You make a very important distinction that if we separate information on sources and methods of intelligence so that we can share the content without—and I am not talking about the evening news; I am talking about making sure you get it and you get it, Secretary Ridge—then, we are all going to be a lot better off.

And, the 9/11 Commission focused, obviously, on the pre-September 11 failure of, for instance, the CIA and FBI to share information. I am hearing you to say that it is not as easy as it should be for you to get all of the information that you need to form our

foreign policy from all of the other intelligence agencies of our government; correct?

Secretary POWELL. I think I get everything I can possibly read in one day from all of our other intelligence agencies. That is not the problem. The problem is making sure that others can access it and use it.

Senator LIEBERMAN. Who are you thinking about?

Secretary POWELL. My assistant secretaries or even lower, my ambassadors, political officers out at different embassies. We have to make sure that we are classifying these things at high levels and in great quantity because we do not want to lose the source, the method——

Senator LIEBERMAN. Right.

Secretary POWELL [continuing]. By which the information was acquired. And so, the point I was making, and it is a point that has been made many times, is that we have to find a way to protect the source and the method while using the information and therefore delink the source and the method from the information.

Very often, we will find a leak in a newspaper where a source and a method has been given away, and we have really hurt ourselves. And what we have to do is to find ways to sanitize the information so that we separate source and information from method so that the information can be used more widely. And then, there is just a general bureaucratic tendency to overclassify things because it is easy to do.

Senator LIEBERMAN. And that is what we want the new NID to overcome.

I want to ask you a final quick question to make it in real time. When the head of INR put that memo in front of you this morning about the questions about the North Korean explosion, did he have the fullest access to all the other information available to our government? And just to give you another example which we have heard in some of the other testimony, if you, to advise the President about what happened, wanted to make sure that we got adequate satellite-based imagery, are you confident that you could make sure that the satellite took the picture that you wanted it to take and that it was not—well, was not where the Secretary of Defense wanted it to be, because he thought that was more important at a given moment?

Secretary POWELL. To be precise, it did.

Senator LIEBERMAN. The satellite was there. That is good.

Secretary POWELL. The point is Tom did not come to work this morning and have the ability to go see what happened in North Korea as INR.

Senator LIEBERMAN. Sure.

Secretary POWELL. What he did was dial into what the intelligence community's holdings were overnight, so it is not something that INR did that was so brilliant; it was what the rest of the intelligence community did that was brilliant that INR was able to draw upon, analyze, look at and give me what they knew I would need.

Senator LIEBERMAN. Absolutely. And that is my question, that you need to know that he had the access to the total information available to all elements of the intelligence community, and hope-

fully, NID and the centers that we are talking about, I know the Commission talked about possibly creating a center on North Korea; a center on WMD would be very helpful.

Secretary POWELL. I think others should talk to whether or not there are needs for all of these centers, but the one caution I would offer is that there are just so many experts and analysts around. So you can create all kinds of structures. In the military, we would say you can create all kinds of spaces, but there are a limited number of faces with the expertise needed for these spaces.

So be careful about creating any structures that might really not be necessary if all you are going to end up doing is competing to get the best people from organizations that are doing good work now to fill these new spaces.

Senator LIEBERMAN. I agree; it is a good warning. Of course, the advantage is for you, if you have a center on North Korea, you have got the faces in the same space in our government who know anything about it, so they are going to pool their information, argue with one another, and then give you and the President the best advice possible.

Secretary POWELL. Yes, but you are going to be taking those faces from some other organization that will not be able to argue a little later on. It is just a caution, Senator Lieberman.

Senator LIEBERMAN. Yes, I hear it, and that is the balance we have to strike.

Thanks very much.

Chairman COLLINS. Thank you, Senator Lieberman.

That is a good lead-in to the bottom line question that I want to ask each of you before I go into some of the details of the Commission's and the President's plans for reorganizing the intelligence community. In the case of the North Korean explosion, it sounds like the current system worked well. There are obviously other recent examples where the current system did not work well to produce the kind of quality intelligence that we need.

A bottom line question for both of you: Do you believe that a strong national intelligence director with enhanced power to set collection priorities and to task the collection of intelligence, will improve the quality of intelligence that you both need in your capacity as policy makers? Because that is really what this is all about: Making sure that we have the structure in place that will produce high quality intelligence when you need it.

Secretary Powell.

Secretary POWELL. Yes, I do. We need a stronger, empowered quarterback.

Chairman COLLINS. Secretary Ridge.

Secretary RIDGE. I concur, and it would also probably facilitate access, so improving the quality and then facilitating access for the multiple agencies within the intelligence community to each other's information flow would certainly be a plus-up.

Chairman COLLINS. Thank you. That is very helpful, because that really is why we are here, and we do want to get this right.

As you both know, the President has announced that he believes the national intelligence director should be assisted by a Cabinet-level Joint Intelligence Community Council, and Secretary Powell, you described this in your testimony as giving the director the sort

of independent help that he will require to perform the job. I would like to have you both expand on what you see this Joint Intelligence Community Council doing, what you see as its advantages. Secretary Powell, if there are analogies with the Joint Chiefs, that would be of interest to us as well. We will start with you, Secretary Powell.

Secretary POWELL. Yes, I think this is a very useful corporate model to use. The counsel should advise the national intelligence director, identify corrections and tell him whether him or her that he/she is moving in the wrong direction. The NID is not going to be omniscient, and therefore, this senior body will play a very useful role.

The parallel I was suggesting was with the Joint Chiefs of Staff. The Joint Chiefs of Staff, particularly as empowered by Goldwater-Nickles in the mid-80's, and I was the first chairman that had really full authority under Goldwater-Nickles from 1989 to 1993. It had been implemented by the time I took over. But in effect, you took the four service chiefs, the Army, Navy, Air Force, Marine Corps, Coast Guard on occasion, and then, the Chairman of the Joint Chiefs of Staff and the Vice-Chairman of the Joint Chiefs of Staff.

Each of those four service secretaries came in, and they are responsible for the training and equipping of their forces. So the Chief of Staff of the Army is worrying about the Army, and the same thing with the Navy, Air Force and Marine Corps bosses. But when they came together as the corporate body, the Joint Chiefs of Staff, they were expected not only to represent their service interests but go beyond that and to represent the interests of the joint body of the Nation as a whole.

And I found it to be a very workable and effective system. When we were all together in the time I was Chairman of the Joint Chiefs of Staff, I would have regular meetings with each of them individually where they would pound away on their service needs and service positions. But when I needed to know what they thought as professional military officers and separate it, step aside from their corporate responsibility or service, I would have a meeting in my office with no staff, no note takers, no agenda, and nobody on any staff knowing what I planned to talk about with the chiefs.

But the chiefs knew, because I would call them. And they would step out. They would have sort of a slight out of body experience, and they would step out of their service and step clearly into the national need, and we got the best advice using that kind of technique. This, I can see in that same way, where you have Tom, myself, the Secretary of Energy, the Secretary of Defense, the Secretary of the Treasury, where each of us will come together with our unique parochial experience and with the interests of our department and agenda in mind but at the same time coming together as a senior-level body to provide advice, counsel, correction, guidance to the NID as to what the overall needs of the Nation are.

And I am sure that we will be arguing amongst ourselves inside of that council, as we should. But there is no such council now that does that, so I think this is an important idea, and I think it will help this whole NID concept to have this kind of a group.

Chairman COLLINS. Thank you. Secretary Ridge.

Secretary RIDGE. It is very difficult to build on that very strong reasoning process, but I would add one more component to the analogy that Secretary Powell gave you, and that is just enhanced accountability to both the NID and the President with the principals in the room. Once the consensus is reached, after whatever exchange of priorities, debate, discussion, however, but once a consensus is reached, when you have the principals involved rather than an assistant secretary, an under secretary, a deputy secretary, then, I think frankly, it streamlines and enhances the credibility that whatever is decided is to be implemented, and the principal him or herself is going to be held accountable.

Chairman COLLINS. Thank you. Senator Levin.

OPENING STATEMENT OF SENATOR LEVIN

Senator LEVIN. Thank you, Madam Chairman. Thank you and Senator Lieberman for not only your leadership but for your opening statements. I think you really spoke for all of us in what you said, and I want to thank our two witnesses for all they do.

Secretary Powell, there were two major reports that we have grappled with. One is the 9/11 Commission Report setting forth all the failures prior to September 11, the failure to share information, the failure to act on it between CIA and FBI within those organizations, for instance. Then, there is also a Senate Intelligence Committee report, 500 pages of mistakes, omissions, distortions by the CIA, all in the same direction pointing towards the Iraqi threat being sharper and clearer than it was or turned out to be.

My major focus is twofold: One is to be supportive of the reforms of the nature that we have talked about, and I think they are important, and they can be useful. We have got to do it right, but we have got to do it in many ways. I think TTIC has taken us a long way down that road, but I am in favor of a number of the reforms which have been mentioned.

But I am also determined that we are going to do something to promote independent and objective analysis. Too often, we have not received independent, objective analysis from the CIA, and that has been true for a long time. This is not the first time. And by the way, I want to complement you, Secretary, on the INR, because one of the kudos given out by the 9/11 Commission was to that INR, and a similar operation inside the Defense Department also received some kudos, and we just wish the CIA had listened to some of those findings and analyses rather than going down the course that they went.

But my questions to you because of what the 9/11 Commission found relative to the Iraqi intelligence relates to a couple of specific issues which the 9/11 Commission commented on. For instance, the 9/11 Commission in their report said that there was no evidence that Iraq operated with Al Qaeda in attacking the United States. That was in the 9/11 Commission Report. The 9/11 Commission Report said that there was no evidence to support a meeting of Iraqi secret police with one of the hijackers, Atta.

And yet, you were pressed, according to the press reports, prior to your UN speech, to include a reference to the meeting that was alleged to have taken place in Prague between the hijacker, Atta, and Iraqi intelligence, and you refused to include that reference in

your UN speech despite being pressed to do so. Now, you turned out to be right. But that pressure, nonetheless, was there. It came from the CIA, apparently, in materials that were given to you which you decided not to utilize, and it came as late as the night before, according to a *Vanity Fair* article. While you were sleeping in preparation for your speech, there was still a call allegedly on behalf of the CIA urging you to tighten up your references to links between Saddam and Al Qaeda including to make reference to that report that you just thought was not accurate of that alleged Prague meeting.

And I wonder if you would tell us if that report is accurate. Were you, in fact, urged to include reference to that Prague meeting which the 9/11 Commission said did not exist and which you concluded was of dubious evidence?

Secretary POWELL. Several days before I made the presentation, the President asked me to make the presentation, and I only had about 5 days to get ready for it, and a lot of information had been assembled in anticipation that somebody would have to make a public presentation before the United Nations.

When I gathered all the information that had been prepared by various staff agencies and the CIA, elsewhere, in the Executive Office of the President, some of the information included the ideas with respect to the Prague meeting or some connection between Al Qaeda and September 11. When I examined it all and spent several days and nights out at the CIA looking at the basis for all of the claims that were going to be put forward in my presentation, I did not find an analytical basis upon which to make the claim of Al Qaeda, September 11, or the Prague meetings, and so, I dropped them.

Nobody pressured me; nobody called me and said I had to include it. I got this raw information, looked at it and declined to use it. The reason I declined to use it was that the intelligence experts that I spent those nights with at CIA could not substantiate it, so I dropped it. Nobody questioned me.

Senator LEVIN. Did the CIA not attempt to reach you during that evening?

Secretary POWELL. As you noted, Senator, I was fast asleep.

Senator LEVIN. I know, but did the CIA attempt to reach you? Do you know, and have you ever talked to Tenet about that?

Secretary POWELL. No, the reason I do not think this is an issue, and I do not——

Senator LEVIN. Well, it is a 9/11 Commission issue. It is right in their report.

Secretary POWELL. Well, what I will say to you is that the CIA chopped off or concurred in everything that I said. Director Tenet was with me the night before my presentation in New York at a mockup set that we had created with all of the visuals and so was Deputy Director John McLaughlin, and every word that I used and every judgment that I came to was concurred in by the CIA. So the answer is no, the CIA did not try to put something into that statement.

Senator LEVIN. Did not urge you to include that?

Secretary POWELL. No, George and John were with me, and they bought off on my script, and they did not say you ought to put this in.

Senator LEVIN. Mr. Secretary, my time is up, but I really would like a direct answer, though, to this question.

Secretary POWELL. I just said no, they did not.

Senator LEVIN. They did not urge you the night——

Secretary POWELL. No.

Senator LEVIN [continuing]. The night before——

Secretary POWELL. No.

Senator LEVIN [continuing]. To include something?

Secretary POWELL. No, Senator.

Senator LEVIN. Thank you.

Chairman COLLINS. Senator Coleman.

Senator COLEMAN. Thank you, Madam Chairman.

Secretary POWELL. Let me be precise, Senator, because you are being precise. Nobody at any—neither George Tenet nor John McLaughlin the night before after we made the final rehearsal at about 10 that night, and we were all secured for the night, nobody at that level—I do not know what might have happened among staff people, but neither George nor John made any effort, because they had concurred in the presentation, and we all got up the next morning and did a final check. Neither George Tenet nor John McLaughlin brought forward any idea that this concept, these two concepts had to be introduced into my presentation.

Senator LEVIN. That is why I referred to the staff level. I said on behalf of the CIA.

Secretary POWELL. I have no idea what might have taken place at the staff level, but it never got to my attention, and I would have—for the simple reason that the CIA had chopped off on it and had chopped off on those two points for several days——

Senator LEVIN. Thank you.

Secretary POWELL [continuing]. Before my presentation.

Chairman COLLINS. Senator Coleman.

OPENING STATEMENT OF SENATOR COLEMAN

Senator COLEMAN. Thank you, Madam Chairman.

Secretary Powell, you have done a very good job of laying out some of the specific needs that you have, and I am not sure whether my question is a resource question or a structural issue. I have, in my conversations as I have traveled meeting with various embassies particularly in Latin America, but I think it is probably fair throughout the world; post-September 11, there has been a shift, and the shift in focus, obviously, with good cause, is counterterrorism.

But the result of that is that in other areas, some of the economic analysis, some of the things that you talked about that are essential, for the long-term relationships that we have with this country, and I would conclude for the long-term security of this country are still fundamentally important. But the question is are the resources shifted into one area; and we have the resources, then, to still do the things that have to be done in those other areas, the economic analysis, the resource analysis, all the things that you and our ambassador have to take into account?

I raise that because when we look at the establishment of a national intelligence director, and in your testimony, among the responsibilities would be to establish intelligence requirements and priorities and manage collection tasking, both inside and outside the country. Is there a conflict, then, with a national intelligence director who has those responsibilities of establishing requirements and priorities and then the needs that you have in your testimony, and then you go into saying we need a national intelligence director; I support that, but I have some very specific needs, needs about global coverage, needs about kind of judgments that I need, and I would suspect, then, needs in terms of priorities for you that are important in our ability to conduct treaties, conduct negotiations, understand weaknesses and strengths of various countries at various times? Is there a conflict there?

Secretary POWELL. I think it is quite the contrary, Senator Coleman. I now have somebody with the authority to make judgments and to change priorities and to shift assets around and to reprogram money that I can go to and make the case if I think there is a case to be made that something is being overlooked.

And I am also on this council that gives him advice and counsel on these matters. So I think this gives me greater access into that requirements determination, reprogrammings and initial programming. When all the budgets come in, it is the NID who will assemble all of these budgets into a single request and then present that request to the Congress and get the appropriation back.

So what you said is correct. When you have something like terrorism come along, and we had to allocate resources to it; we had to protect the homeland, and from a finite body of analysts and capability, something is going to come in second in that contest for awhile until you build your capability up to take care of it. What we have to do now is some capability building, bring more people and more resources in and make sure that I am making the case as to why a particular country in Latin America and elsewhere is not getting the coverage it needs, and notwithstanding the war on terrorism, we have to cover a particular country, and there are several who are deserving of that level of coverage.

I also have to be prepared to say to the NID, and by the way, there are these countries where, frankly, the diplomatic reporting I am getting is enough, do not waste a lot of analytic capability on that. So, I have to be able to make the case on what is important, but I also have to be willing, as part of this council, to say do not worry about it, I will just read newspapers and get diplomatic reporting, and that will be enough for that particular country.

Senator COLEMAN. As I reflected upon, Mr. Secretary, some of the earlier testimony we had, particularly with some of the former directors of the CIA, I got a sense that a lot of the interaction among some of the principals in intelligence was done in a conversational way, folks laying out their various needs. Because that goes on today, even in the absence of a national intelligence director.

So what I am hearing from you is that you are not troubled by your lack of ability to have the power to make that decision; that you are comfortable with the opportunity to have input in that decision, to know that your needs would be met.

Secretary POWELL. Yes, sir.

Senator COLEMAN. Secretary Ridge, among the changes that have been made, and I must note that in some of the testimony we had earlier, particularly of some of the families of the September 11 victims, there was a concern about have we done anything since September 11? And if I have learned anything, Madam Chairman and Ranking Member Lieberman, from these hearings, we have done a lot since September 11 in so many areas to make America safer, to make it more secure, to improve our ability to manage, to collect, and to analyze intelligence.

One of those areas has been TTIC, where we have a Threat Terrorist Integration Center. My sense is that the National Counterterrorism Center is really more like a TTIC plus one, TTIC plus two. What is it that we are not getting in TTIC now that somehow we are going to get if we move to more than just a new acronym?

Secretary RIDGE. Well, I think first of all, in the NCTC, you will have—there will be an originator. The analysts there are compelled under the President's Executive Order to operate from a consolidated database and originate a consolidated threat assessment for the country as opposed to integrating, perhaps, individual assessments from multiple departments. I think you will see a much more robust and comprehensive approach. I think you are frankly going to see more people there doing more things and again having the National Counterterrorism Center personally accountable, institutionally accountable to the NID, who is accountable to the President, I think, gives us, again, a far more complete and comprehensive domestic picture as far as we are concerned.

I like the ability for the NID to oversee the information sharing responsibilities within the respective agencies so that within the National Counterterrorism Center where some of my analysts perhaps with the Information Analysis Unit might have to go in and task or ask. It will already be there to our analysts in the National Counterterrorism Center. So I think this broader approach, with an originator of a consolidated threat assessment, and more resources committed to that will provide more of a push system to push more threat assessment out.

It will take over a lot of the threat assessment from the Information Analysis Unit that I have. I mean we cede some of that authority. We will clearly not cede the responsibility to do competitive analysis as it relates uniquely to our mission, the domestic threat, but broader threat assessments will be done by the National Counterterrorism Center for us. It is a good tradeoff as far as we are concerned. We can use those analysts for other purposes and use the information analysis and infrastructure protection, frankly, for some of the areas where we have an important but limited role can be expanded.

Senator COLEMAN. Thank you, Mr. Secretary. Thank you, Madam Chairman.

OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. Thank you, Madam Chairman, and thank you and Senator Lieberman again, both of you, for your leadership on this issue. It is very important.

Secretary Powell and Secretary Ridge, we appreciate you being here. I know how busy your schedules are.

So Secretary Powell, let me start with you. I found your testimony very interesting, especially the part where you said we do not need, as a consumer, you do not need a series of worst-case scenarios. And I liked what you said about, talk to your staff saying tell me what you know, tell me what you do not know, and also, based on what you do and do not know, tell me what you think. I think that is a very healthy approach. And you also mentioned that it is important as we, the Congress, and the intelligence community, as we go through these reforms, it is very important that we get it right.

And I agree with you 100 percent on that, and so, I guess I have a general question to start with of you, Secretary Powell, and that is what changes would you like to see that would help the State Department, and I am sure that there are some changes that you think would be a mistake if we made those changes, because they would, in effect, hurt the State Department. Could you elaborate on those?

Secretary POWELL. I think the creation of a NID will help the State Department, and I will just refer to what I was discussing with Senator Coleman, that it now gives me somebody to talk to. DCI has been there before, but the DCI did not have the kind of authority. And in this town, it is budget authority that counts. Can you move money? Can you set standards for people? Do you have the access needed to the President?

The NID will have all of that, and so, I think this is a far more powerful player, and that will help the State Department. There is a tendency in the intelligence community to make sure we are giving the war fighters everything they need, and I would never argue with that, because I used to be one of them. But I think now I am in a better position to point out the needs of the foreign policy experts of the department and my needs as Secretary of State, not only with a more powerful NID but with me and Tom and our other colleagues being on the council.

I would be careful, and I do not want to get into this too deeply, because it really is the purview of others. I would be very careful if you started to proliferate too much bureaucracy, too many centers for this, and centers for that.

Senator PRYOR. Right.

Secretary POWELL. The conversation we had earlier with Senator Lieberman. I can assure you that there are only a finite number of Hangul speakers for the Korean language and Arabic speakers, and with the academic background and experience needed to do these jobs, and if you create a lot more structure and slice and dice it, it is the same group that is going to have to cover all of the new spaces until you grow new experts, and that is a very time consuming matter. So that would be my caution, Senator.

Senator PRYOR. Right.

Secretary Ridge, let me ask you, if I can, in the 9/11 Commission Report, it says that "Congress should be able to ask the Secretary of Homeland Security whether or not he or she has the resources to provide reasonable security against major terrorist acts within

the United States." It is on page 421. Do you have the resources necessary?

Secretary RIDGE. You ask me, Senator, every time I come to the Hill.

Senator PRYOR. I know that.

Secretary RIDGE. And the answer is yes.

Sometimes, we differ with regard to priorities, but the budgets that I have been able to request on behalf of the President, I think the Congress has generously supported. Sometimes, you have moved some dollars around, because from your perspective, we had different priorities within DHS, and it is our job to accommodate that adjustment and try to do both, but we do.

Senator PRYOR. Secretary Ridge, you also, in the 9/11 Commission Report, it was mentioned that I believe the Department of Homeland Security has to appear before 88 committees and subcommittees in Congress, and one witness told the Commission that this is perhaps the single largest obstacle that is impeding the Department's successful development. And again, that is on page 421. Do you agree with that assessment?

Secretary RIDGE. Well, first of all, we accept, obviously, not only the Constitutional notion of the Congress' oversight responsibility and appropriations responsibility, but the fact that we are building this Department together. It is a partnership. I mean, there is strong support for this Department on both sides of the aisle from the Congress, and we have continued to build it together. There is more work to be done.

But I will tell you in the last year, both myself and my colleagues in senior leadership testified over 140 times on the Hill. Many of them were involved in over 800 briefings up here, and I think we probably responded to 700 or 800 requests for information from GAO in addition to hundreds, particularly hundreds of pieces of correspondence from individual Members of the House or Senate. So it is a partnership. We expect and respect the oversight. Frankly, we think it could be a much more effective partnership and more rigorous oversight if the jurisdictions were compressed, and I will leave that to the wisdom and the leadership on the Hill.

Senator PRYOR. The 9/11 Commission said 88 committees and subcommittees.

Secretary RIDGE. That is correct.

Senator PRYOR. Is that right?

Secretary RIDGE. If someone took a look at the 535 Members of Congress and said but for a handful, somebody somewhere has an opportunity to make an inquiry that has Homeland Security implications.

Senator PRYOR. And the last thing I had is I know that in the 9/11 Commission Report, it really talks about how some people should report to two different agency heads, and the NID's deputy for homeland intelligence would be one of those, and I guess I am a little bit mindful of what the Bible says about not being able to serve two masters. Do you think that can be worked out and structurally that one person, one deputy, could be reporting to both, and does that cause you any concern?

Secretary RIDGE. If that is what Congress decided we had to do, we would do it, but the admonition about serving two masters is

a good one. And I think the President, in anticipation of that concern, in his recommendation included the Joint Intelligence Community Council, so you are not dealing with necessarily people serving two roles on a day-to-day basis, but you have access to the principals at the Cabinet level to make the critical decisions and to give guidance and to compete for the attention and the budget and everything else that will be in the control and the responsibility of the NID.

So the dual-hatting is not an approach that I think I can—rarely do I speak for any of my colleagues in the Cabinet, but I do not think anyone supports that as a means to the most effective integration of what we do individually as departments and our working relationship with the NID.

Senator PRYOR. Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Secretary Powell, do you want to respond to that issue also?

Secretary POWELL. He is speaking for me, too. That is not a good idea.

Chairman COLLINS. Thank you. Senator Carper.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thanks, Madam Chairman, and our thanks to you and Senator Lieberman for convening yet another really valuable set of witnesses here today for us. It is great to see both of you, and thank you for your service, and I welcome you today.

Secretary Ridge would be disappointed if he left here today and I did not ask him about rail security. And I do not want to disappoint him, but I will not lead off with that, but just to give you something to look forward to, I will come back to that.

A good friend of mine just passed away about 2 weeks ago. He was a minister, a Methodist minister and paster of churches all over Delaware. His name was Brooks Reynolds. And he would have been 89 years old on Election Day had he lived. He used to give the opening prayer at our General Assembly for many years when I was governor. And among the things I have often heard him say, and I have heard him say more than a few times; he used to say the main thing is to keep the main thing the main thing.

I just want to—in recalling his words, for us, who serve on this Committee and are charged with developing at least a proposal for addressing our intelligence inadequacies, what should, for us, be the main thing?

Secretary Powell, do you want to tackle that first?

Secretary POWELL. The main thing is to do no harm to an intelligence community that is very competent; very dedicated, and overall is doing an excellent job. What we want to do, the main thing we want to do is to put these very competent, qualified people in an even better position to do an even better job. That is the main thing. So everything you do and every change that you make in the current system has to be for the purpose of putting these individuals in a better position to do a better job.

I think that having a national intelligence director with real authority not just "bureaucratic authority" of the kind that the DCI had in the past is part of putting them in a better position to do the better thing. And I think with the council of the kind that we

have discussed here this morning in place and functioning also helps us do a better thing. And I feel strongly about that. When Tom Ridge took over as advisor in Homeland Security and then took over the Department of Homeland Security, it was a brand new thing in the world, and it was a single place to go for homeland security issues and authority.

And I welcomed it, and Tom will tell you I am forever sending him things that I need done or problems that I have that relate to homeland security. But at least I now have somebody to send it to. Now, he does not always welcome my mail, and it usually——

Secretary RIDGE. They are not always love letters.

Secretary POWELL. They are not always love letters. The fact of the matter is, though, I now have somebody who, in one person, can deal with these kinds of issues. I think it is the same thing with a national intelligence director. He will be the main person working on the main thing and keeping our focus on the main thing.

Senator CARPER. Thank you. Secretary Ridge.

Secretary RIDGE. Not too much to add.

Senator CARPER. You can repeat for emphasis if you like.

Secretary RIDGE. I think back to, actually, the reference that Secretary Powell made when I was serving in the White House as assistant to the President for Homeland Security and was given the opportunity and the responsibility to coordinate; there is certainly a difference in terms of authority and response to that authority if you are part of a coordinating effort versus a command and control component.

And as Secretary Powell pointed out, when you give the NID the budget authority, in this town as everywhere else, that is the ultimate command and control. The only one other dimension that I think this will significantly improve, and it has improved every day since September 11, but I do not believe anybody is to the point where they think we have a perfect system, and that is information sharing generally, not just inter-Federal Government but down to the State and locals.

And again, when you have a NID who can talk about and reconsider the Cold War classification system and the handling caveats, obviously, with the notion that you do have to protect sources and methods, but we do have allies and those who can help us combat terrorism at the State and local level; and again, under a NID, over time just kind of reviewing and assessing the kinds of information that can be channeled down to those on the streets and in the neighborhoods I think will be a huge improvement over the existing approach we have now.

Senator CARPER. Thanks. I seem to be hearing the word wrong a lot lately in public discourse. Would you just take a minute and share with us as we consider the recommendations of the 9/11 Commission, big ones and not so big ones. What would be the wrong thing to do with respect to following any one of the recommendations that you do not particularly agree with?

Secretary POWELL. I think it would not be a good thing to go to this deputy system, and we had this conversation a little while ago. I also think you cannot serve two masters effectively. There are better ways to do that.

We still have to look at exactly how the NID is placed organizationally within the Executive Branch. I think the President has made it clear that he thinks it is better that it not be located in the immediate Executive Office of the President. I also think that would be a wrong thing to do. I do not have any others that I need to touch on right now, Senator Carper, that come to mind. I do not know if Tom does.

Senator CARPER. Secretary Ridge.

Secretary RIDGE. I would concur with my colleague. Again, one challenge: It would be wrong to assume that we have got the system of sharing the information with the State and local worked out. I think the NCTC is empowered to share that information, and I just hope that one of the considerations that this Committee and others take a look at is that was initially, and I think permanently, a responsibility of the Department of Homeland Security, but the Department of Justice has a role to play.

I mean, we have to take a look at the National Counterterrorism Center to see what, if any, role. We do not want to start building up independent lines of communication, stove pipes, if you will, getting whatever information we think is relevant and appropriate down to the local level. So it would be wrong to assume that with this configuration we have solved all of the problems. We still have, I think, a very critical dimension to be discussed, and it may or may not be dealt with in the legislation as to the points of access from the State and locals to the kind of information that can be appropriately distributed to them.

I think that is important from a homeland security perspective.

Senator CARPER. Thank you.

Madam Chairman, my time has expired. Could I ask Secretary Ridge to take maybe 30 seconds and just give us a quick update on rail security?

Chairman COLLINS. No. Yes, you may.

Secretary RIDGE. Thank you, Madam Chairman. I liked your first answer. [Laughter.]

Senator CARPER. Thank you.

Secretary RIDGE. Senator, as you well know, under the President's directive, we are obliged by the end of this year through the Transportation Security Administration to come in with a National Transportation Security Strategy. Clearly, railroads are an integral part of that strategy. But we are not waiting for the strategy document to be developed to take some immediate action, and during the past several months, working with Amtrak, working with Congress but working with Amtrak, working within our Science and Technology Unit, we have got certain pilot programs to test—they are basically explosive portals to see if we can pick up traces of explosives on passengers or baggage.

We have deployed, and again, these are pilot programs but sensing technology at different places. We, frankly, have built up the supply of canine teams at railroads around the country; pretty reliable, old technology. They are well-trained, and they do a darned good job. But there is still much more that we need to do, and as I know it is a very high priority for the Senator, I look forward to continuing to working with the Senator in that regard, particularly once the complete analysis is done within the railroad industry.

They have had a representative within our critical infrastructure protection unit since day one. They are very well organized. They are very helpful in this assessment effort, and we look forward to sharing the product with you.

Senator CARPER. Thanks very much.

Madam Chairman, you know the old saying you cannot teach an old dog a new trick, and as it turns out, these dogs are pretty good sniffers, and we just need a few more of them, and I am pleased to hear that they are being more broadly deployed.

Chairman COLLINS. Thank you.

I would note that we have been joined by the distinguished chairman of the Armed Services Committee. We thank you for your commitment to this issue and for joining us this morning.

Senator Durbin.

OPENING STATEMENT OF SENATOR DURBIN

Senator DURBIN. Thank you, Madam Chairman and Senator Lieberman for this hearing.

Secretary Powell, Secretary Ridge, thank you for your service to our Nation, and thank you for being here today.

Secretary Powell, I am a member of the Senate Intelligence Committee, as several are on this panel. Part of the invasion of Iraq, I listened carefully to day after day of information being given in that Intelligence Committee with a growing degree of skepticism. The hyperbolic statements about the threat to America, both public and private, the slam dunk certainty about weapons of mass destruction, I took with growing skepticism and ultimately voted against the use of force resolution.

There was one moment that shook my confidence in my position, and that was when you appeared before the United Nations. And it is because of my respect for you. And I thought if Colin Powell is convinced, maybe I ought to think about this again. Now, Senator Levin has raised the question about your discerning judgment in what you said before the United Nations. But I think in reflection, I hope I am saying this accurately, but looking back on that testimony in light of the reality, the failure to find any evidence of weapons of mass destruction or a nuclear program as was described, that you were not given good intelligence.

And I think the bottom line to all that we are about here, as Senator Collins and Senator Levin have talked about, is whether or not making changes, pursuing the 9/11 Commission goals will lead to better intelligence, our first line of defense in the war on terrorism. We talk a lot about the wiring diagrams and the boxes and the charts and whether we are changing email addresses and spaces and faces.

What is it about the reforms that you have read that lead you to believe that either you or some future Secretary of State will not be put in the same compromising position, being given intelligence data to tell the world and America in preparation for a war that turns out to be at least fragmented and perhaps just plain wrong?

Secretary POWELL. Intelligence is always something that there is some risk with, because you are dealing with a target that is doing everything he can to keep information from you. So you will never have a perfect picture of what is actually happening. With respect

to the presentation I gave, over a period of years, a body of intelligence information had been built up that said that this is a regime that has used this kind of capability in the past against its own people, against its neighbors. They have gassed people. This is a regime that has not accounted for stockpiles and quantities of materials that they were known to have or have not accounted for previously and could have accounted for but chose not to, so they are trying to keep something from us.

This is a regime that has never walked away from their intention to have such capability. A reasonable person could have thought that, in my judgment, anyway, that Saddam Hussein, if not constrained by the threat of force or constrained by international sanctions or international pressure, all that went away, would not use his intention and the capability that he had to have such stockpiles. We know that he had dual use facilities. We know that he had been going after precursor materials; we knew all of that. And it was not just what we knew; it was what other intelligence organizations knew, and it was the conventional intelligence wisdom of the international community.

When we presented all of this, I think that was solid information, frankly; notwithstanding criticism of the presentation and our intelligence picture, it stood the test of time. What has not stood the test of time was the judgment we made that there were stockpiles of chemical and biological weapons. On the nuclear side, there were real questions as to how much we really knew. Tom Finger and my INR guys and Carl Ford kept suggesting to me that it is not that clear a case, and that is why, in my presentation, I indicated some uncertainty with respect to the centrifuges and the nuclear capability, although others in the intelligence community felt more strongly about it than INR did.

But we all believed that there were stockpiles of chemical and biological weapons. There was no real dispute within the community except how large they might be, and there was also no dispute about the fact that there were large gaps in information and questions that were unanswered by the Iraqis over all these years: Why are they not answering these simple questions about what they did with some of this material?

INR also agreed with that. INR did not say there were no stockpiles. INR said there were stockpiles. It has every reason to believe there are stockpiles. We could question the size of stockpiles, but we all believed there were stockpiles. It turned out that we have not found any stockpiles; I think it is unlikely that we will find any stockpiles. We have to now go back through and find out why we had a different judgment.

What I have found over the last year and several months is that some of the sourcing that was used to give me the basis upon which to bring forward that judgment to the United Nations were flawed, wrong.

Senator DURBIN. I am running out of time.

Secretary POWELL. Yes.

Senator DURBIN. But I want to bring it to this conclusion——

Secretary POWELL. But it was an important question, and I have got to——

Senator DURBIN. But what is it about——

Secretary POWELL. I am going to get to it.

Senator DURBIN [continuing]. Our agenda that will change that, that will make us more accurate in describing and understanding our enemy?

Secretary POWELL. I am not ducking. I am going to get to the question, but I have to do it this way.

Senator DURBIN. OK.

Secretary POWELL. What troubled me was that the sourcing was weak, and the sourcing had not been vetted widely across the intelligence community. What also distressed me was that there were some in the intelligence community who had knowledge that the sourcing was suspect, and that was not known to me. It did not all come together in a single way with a powerful individual and a powerful staff who could force these people to make sure that what one person knew, everyone else knew. That is what we have been talking about all morning.

There were some intelligence communities that had put out disclaimers about some of the sourcing that were not known to the people who were giving me the analysis and the conclusions. Now, it seems to me that if you have a powerful, important, empowered national intelligence director, you are less likely to have those kinds of mistakes made, and if you focus this new system, this new approach to business on sharing all information openly, widely, and without fear of busting your stovepipe, then, it is less likely that you will have the kind of situation where I go out there, and I am saying something, while there are people in one part of the intelligence community not connected well enough to another part of the intelligence community who know—they knew at the time I was saying it that some of the sourcing was suspect.

That is what we have got to make sure we do not allow to happen, and I think an empowered NID that has the authority to direct, move money around, move resources around, we are in a better position to avoid that kind of problem.

Excuse me for taking time to get there.

Senator DURBIN. No, it was an excellent answer, and it leads to about a dozen followup questions, which I am going to have to wait for. Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Senator Dayton.

OPENING STATEMENT OF SENATOR DAYTON

Senator DAYTON. Thank you, Madam Chairman.

Thank you both, and I think when all is written, and much has been written already, you two will be seen as true heroes in this whole operation.

I want to pick up on something that Senator Durbin was just referring to, and that is this multiplicity of function and responsibility, because my father, who is a very successful businessman, said once that if someone is not responsible, then, no one is accountable. And it seems to me we have this dilemma here with whether or not to create or allow to continue this plethora of different operations with various people responsible, and now, we are talking about a coordinator or director or somebody with partial authority but not complete or a monolith.

And given the reality that a preponderance of the budget and therefore the operations are under the Secretary of Defense, I do not see how realistically, unless you extract every one of those intelligence operations out of the Secretary of Defense's authority you can give that to any director or anyone else as a practical matter.

And then, we get into, and I am going to refer to one of these sources, a book called the Pretext for War by James Bamford, because frankly, even as a Member of both this Committee and the Armed Services Committee, most of what I find out, whether it is accurate or not, but most of what I find out that gets into the depth of what is either going on or is alleged to be going on comes from these external sources. It does not come from information that I get directly from anybody who is involved.

And the point I am making here, and I will give you a chance, hopefully, at the end of this time to respond to it, but I want to put it on the record because it gets, to me, to the core of the dilemma that we have where we have these different actors carrying out these different functions. And then, as Senator Durbin said, somebody else is dependent on that for the validity of the information.

He writes, and I am editing a little bit here, but I am keeping the integrity of it, I believe: Beginning in the mid-1990's, Chalabi and his crew of INC directors were shunned by the CIA and the State Department. They considered them little more than a con man trying to wrangle large payments and to get them to start a war so he could be installed as president.

The Pentagon, however, had a different agenda, and in the spring of 2002, both Wolfowitz and Rumsfeld began seeking Bush's intervention to grant Chalabi $90 million from the Treasury. While the Congress had authorized $97 million for Iraqi opposition groups under the 1998 Iraq Liberation Act, because of State Department objections, most of that had not been expended. State had argued that it would be throwing good money after bad, because Chalabi had not accounted for previous monies given to him.

Nevertheless, a major effort was made to use Chalabi's reliable defectors and hyped anti-Saddam charges to channel disinformation to the media and help sell their war to the American public through the press. One man, a former Iraqi engineer, claimed that he had personal knowledge of hundreds of bunkers where chemical, biological and nuclear weapons research was hidden throughout Iraq. It turned out that he had worked previously extensively for Chalabi and the INC, making anti-Saddam propaganda films. Worse, he had also worked for a shadowy American company, the Renden Group, that had been paid close to $200 million by the CIA and Pentagon to spread anti-Saddam propaganda worldwide.

The firm is headed by John W. Renden, a rumpled man often seen in a beret and military fatigues, who calls himself, an "information warrior and perception manager." His specialty is manipulating thought and spreading propaganda. Soon after the attacks of September 11, the company received a $100,000 a month contract from the Pentagon to offer media strategy advice.

Among the agencies to whom it provided recommendations was the Office of Strategic Influence, which is apparently intended to

also be a massive disinformation factory. That is the editorial comment of the author. In the end, nothing was found, not a single bunker. Al-Hadari claimed that the evidence had probably been moved. Well, gosh, how do you move an underground facility, asked Scott Ritter, a former UN weapons inspector in Iraq? It is the classic defense of the fabricator to say, well, they are moving it. They are hiding it.

Ritter said he used to hear the same excuses from Chalabi when Ritter worked as a weapons inspector in Iraq: "That was what Ahmed Chalabi always told us every time we uncovered his data to be inaccurate," said Ritter. He said, "well, they change scenes; they are too clever for us. They are too fast. They respond too quickly. No, Ahmed. No, Mr. Al-Hadari, you are just liars. And it is time the world faced up to that. They are liars. They misled us, and they have the blood of hundreds of brave Americans and British service members on their hands and hundreds of thousands of innocent Iraqis who perished in a war that did not need to be fought."

The entire story may have been little more than a U.S.-sponsored psychological warfare effort, the Renden Group's specialty, to gin up the American public's fear over Saddam Hussein. If so, it would have been illegal under U.S. law, which forbids the use of taxpayer money to propagandize the American public. "I think what you are seeing," said Ritter, "is the need for the U.S. Government to turn to commercial enterprises like the Renden Group to do the kind of lying and distortion of truth in terms of peddling disinformation to the media that the government cannot normally do for itself."

Having largely shunned the CIA's analysis, the Pentagon's top leadership was instead dependent on selectively-culled intelligence from a man who had long pushed his own radical agenda for the Middle East and the bogus information from Chalabi and his defectors. It is a dangerous exercise in self-deception. Their task now is to frighten and deceive the rest of the country, and there is no better way than with the image of a madman a few screws away from a nuclear bomb.

Now, if that is what is going on or even partially true what is going on, and that is over in one province, and you are in another, and somebody else is in another, and nobody is ultimately responsible for that, then, who is responsible, and who could possibly be held responsible, Mr. Secretary?

Secretary POWELL. I cannot speak, of course, to any of the matters——

Senator DAYTON. Well, you would know better than I would whether it is partially true or not, but if it is even partially true, if there are these rogue actors out there, if there are private firms being subcontracted by various agencies of our government, and if they are then distilling information that then becomes the information that is provided to other secretaries, to the President, to the Vice-President, I do not fault them. They are ultimately reliant on what they are getting from these other sources.

But then, if no one is in charge, then, ultimately, when we do get the problems that we have encountered, then, no one is accountable.

Secretary POWELL. I receive my information from the government's intelligence community, from the CIA and from INR. Now, if some of the sourcing that went to the CIA was wrong or had suspicious underpinnings, it was not known to me, and I do not think it was known to the CIA until after the fact. But I cannot talk about the Renden Group. I know nothing about it.

Senator DAYTON. My question, sir——

Secretary POWELL. I think you are in a better position to deal with this kind of problem if you have somebody who, as we have noted earlier, has the power and the authority to make judgments about such matters that are removed from any one of these stovepipes. This NID, with the power of the purse and with the relationship that he will have to the President and not being in any one of the stovepipes I think is in a more powerful position to question any of the information or judgments that he is being given from any one of the organizations of government.

Senator DAYTON. But, sir, is he or she sufficiently powerful to make all of those judgments when he or she is not going to be aware of all that is going on? The former director of the CIA, James Woolsey, testified before our Committee; was very helpful to me, anyway, in defining that to really be able to be held accountable, you have to have full budgeting authority; you have to have hiring and firing authority; you have to have tasking authority; and then, you have to have control of the information and its distribution.

Well, the proposal from the President goes part way in that direction. It does not go all the way, and I guess my question is given that the preponderance of the budget and responsibility, then, that resides within the Secretary of Defense's purview, is it realistic that anybody else is going to be able to be sufficiently—to have the sufficient authority to prevent these kinds of tangential operations, know they are occurring, be able to assess whether they are accurate or not and ultimately, then, give to you or to the Vice-President or the President information that can be relied upon?

Secretary POWELL. Because this individual sets requirements, priorities; he can reprogram or she can reprogram funds on their own authority, whether it is endorsed or not endorsed by those whose programs are about to be reprogrammed, I think that is enormous authority. What I do not think you should think about doing is to take all of these disparate intelligence organizations that are now in bureaucratic entities and think that they can just be brought out and put in some new superintelligence organization that I think would be very difficult to manage and would break the link between these intelligence organizations that they are supporting, especially within the military context and the direct kind of support that NRO and DIA and similar organizations give to the war fighter.

I do not think that their programs should be removed from their current bureaucratic entity and moved into a super, new bureaucratic entity.

Senator DAYTON. Thank you, Madam Chairman.

Chairman COLLINS. Senator Warner, I would like to give you the opportunity to question the witnesses if you have any questions you would like to ask at this point.

OPENING STATEMENT OF SENATOR WARNER, A U.S. SENATOR FROM THE STATE OF VIRGINIA

Senator WARNER. I appreciate that courtesy. I will avail myself of that opportunity.

Secretary Powell, drawing on the experience of the past when we worked together, one of our challenges was the Goldwater-Nickles Act, which revised a good deal of the structure, particularly in the Joint Chiefs and so forth. One of the provisions we put in there, you are very familiar with it, having been chairman at one time yourself, and that is in the course of the deliberations, the chairman is the principal advisor to the President, but if one of the service chiefs feels very strongly about his or her views, whatever the case may be, they have the opportunity to go to the President and express an opinion to some degree at variance with the chairman.

I want very much to try and work with this Committee and other committees to craft a similar provision in whatever legislation may be forthcoming. Again, I feel that the NID will be a very strong stovepipe in collecting this information, but it may well be, for example, that the CIA director might have a view different than the NID's or our distinguished colleagues with you here this morning. And I would like to have reassurance that those individuals in those respective positions and perhaps yourself could ask to be present at the time the NID addressed an issue at which you felt at variance.

Without getting into the specifics, do you feel that such a safeguard is a valuable thing to work into this legislation?

Secretary POWELL. Without seeing exactly what the language would look like, Senator Warner, I think it would be useful to consider such an idea. As you know, in Goldwater-Nickles, the chairman, and let us say now the NID——

Senator WARNER. Yes.

Secretary POWELL. That is who the equivalent is——

Senator WARNER. We are talking about the NID.

Secretary POWELL [continuing]. Is the principal advisor, military advisor, in the chairman's case, to the President. But all of the other chiefs were military advisors to the President, and during my time, there were one or two occasions where a chief said I want to speak directly to the President, and we made it happen.

Also, the chairman—I never went and gave my advice to the President without all of my colleagues and the chiefs knowing what I was going to tell the President, so they would have an opportunity to say no, I do not agree, and I want to talk to the President. And that is the way it works out. I think it should work the same way.

Now, what I have just described to you with respect to the chiefs was a matter of law. Now, in the JICC, I am not sure that any of the Cabinet officers would be shrinking violets with respect to going and telling the President what they thought, with or without the benefit of provision of law. But you took it a little further to say, well, how about the director of CIA——

Senator WARNER. Correct.

Secretary POWELL [continuing]. Or all these other folks, should they have the ability by law to say the law says I may do this; therefore, you must let me do it. I think it is an interesting propo-

sition. I do not know that off the top of my head, I would object to it, but of course, I would have to see exactly how it is worded and how it is put in.

Senator WARNER. Well, we will work on that principle, and I am going to consult, as a matter of fact, today with the distinguished Chairman and Ranking Member, at which time I will raise that.

My second general question is that both of you have remarkable careers of public service and particularly in Federal service. The need for intelligence by our President and our military is daily, 7 days, 7 nights, constant. We just cannot turn off the spigot with this new piece of legislation, hope to put in place all the pieces and then go back in whatever of time lapses to turn it back on to function.

So some thought has got to be given to the transition from the present system to the new system. And I wondered if you had given any thought as to how that transition could best be achieved, and do you see that we should focus on it, because those enemies wishing to inflict harm will view this transitional process as possibly a time of America's weakness.

If either witness would care to comment on that.

Secretary POWELL. Oh, I think you have to be very careful as you transition to a new system. It is a baton pass. The race does not stop when you hand the baton off. And so, there has to be a very careful plan as to how the NID will come into being. It will have to be tested and tried and rehearsed, and they have to be up and running before you can say fine, you have got the baton. And I think a great deal of care has to be taken to design and implement that transition.

Senator WARNER. Thank you, Mr. Secretary.

Secretary RIDGE. I just wanted to say, Senator, I very much appreciate the question, because with the creation of the NID and the accompanying National Counterterrorism Center, there has obviously got to be significant thought given to the kinds of resources that will be used—staffing, technology and the like—and right now, in response to September 11, there are so many agencies that are building up their analytical capacity. We are one of them; as is the FBI. So there is tremendous pressure out there to find the best and the brightest to come into our respective agencies simply to fill previously imposed or agreed upon requirements set with the Congress of the United States.

So the transition from a good system that people admit there are some imperfections to it to this different system is a critical period where, to use Secretary Powell's admonition, you start with the notion that you do no harm, and you could do significant harm, I think, to existing entities if you immediately assigned a significant number of analysts from them into the National Counterterrorism Center and the like.

So again, it is just a word of caution, because there will be substantially more resources, people and technology involved in this, and it is going to take time to build up the capacity, I would presume.

Senator WARNER. I think we should focus on that. Now, whether there is some—I have always been of the opinion that I think we will be able to achieve a measure of legislation in this Congress,

and I hesitate to say it, but it may be a task left to the next Congress to look at this thing after some experience time.

My last question would be again to Secretary Powell. You will recall very vividly during the Gulf War that on the tactical side, we had a lot of shortcomings, and General Schwartzkopf and many others came before the Armed Services Committee, and we have worked, and I say we, successive administrations and chairman of the JCS and so forth to improve that. And do you agree that we have made substantial improvements?

Secretary POWELL. Yes.

Senator WARNER. And we do not want to now, in this challenge before us, dismantle any of those things that we put in place. I do not know whether you have addressed that today or not.

Secretary POWELL. I think we have, Senator, in the course of our presentations.

Senator WARNER. All right.

Secretary POWELL. We want to make sure that these young men and women we send into battle have what they need, and we do no harm to that system.

Senator WARNER. I thank the Chairman and the Ranking Member.

Chairman COLLINS. Thank you, Senator Warner.

I was just discussing with the Ranking Member that we are putting into our bill a mechanism to have a lookback to see how the reforms have operated so that it would be, I guess, an action-forcing mechanism to make sure that Congressional oversight stays vigorous in this area. And we would be happy to work further with you on that and look forward to our meeting later today.

Secretary RIDGE. I thank you.

Chairman COLLINS. My colleagues, I would note that I promised our two witnesses that they would be able to leave by noon today in order to keep other commitments. So we are not going to be able to have time for a second round. But I would encourage—there are a lot of additional questions, and I would encourage them to be submitted for the record, and I would encourage our two distinguished witnesses to respond as promptly as possible to those questions, because we are on an expedited time frame. We do hope to mark up legislation next week. We look forward to continuing to work very closely with you.

In closing, I want to thank you both for your extraordinary service to your country. At a very difficult time, when we are facing many challenges both domestically and internationally, our Nation is very fortunate to have public servants like you who have served so well and so long, and we very much appreciate your helping us in the vital mission that this Committee has been assigned.

This hearing record will remain open for 5 days. I would like to ask Senator Lieberman if he has any closing remarks.

Senator LIEBERMAN. Thanks, Madam Chairman.

Again, I thank the two of you. Secretary Ridge, you are in the unique position of having set up a department and really brought together in a way larger than the NID will have to do, the new national intelligence director; I appreciate very much what you have done in that regard, and your counsel as we move forward to create

this new coordinating body in the national security interest will be incredibly important.

Secretary Powell, thanks for your testimony, which has been very helpful. And you said something that as we go about reforming the intelligence community, with all of the questions we are raising about counterterrorism and all of the information we need on other trouble spots like North Korea and WMD, it is a very simple sentence you gave us, but it is very profound. And it goes to the heart of what so many of the controversies, including some you have been questioned on today, which is the rule that you use with your intelligence officers over the years: Tell me what you know, tell me what you do not know, and then, based on that, tell me what you think is most likely to happen.

And I think in many cases, including the most controversial regarding WMD pre-Iraq War, there has been a tendency, for some, to interpret the third part of your formula—tell me what you think is most likely to happen—as the first—what you know—and in the end, in many cases, I have learned a lot in these hearings, and you have lived with this all your life, intelligence is ultimately about making your best judgment based upon what you know and what you do not know.

There are a lot of big decisions made which are not based on—it is not two and two equal four. You have got this information; you do not have that information; the national security is on the line, and you do the best you can based upon what you think is most likely to happen. I have a running dialogue with a few of my colleagues here about WMD. I understand your concern that you were not told about the sources. That is a very critical component. Incidentally, Bob Mueller, the head of the FBI, made a very comparable point about what is important to know, but it seems to me we did know what he had, we did know what he did, Saddam, and there was reason to believe that he likely had stockpiles. Now, so far, we have not found them. But to this individual consumer of intelligence, I am still not convinced he did not have them. We have just not found them, and maybe they are somewhere else.

So anyway, it is very important through all of the structures and discussions we are having to remember that intelligence comes down to the—I am going to create a new Powell doctrine here. No, the Powell Doctrine has other applications. This will be Powell's Law. It is a very important thing for us to remember as we try to reform our intelligence apparatus: Better to know what we know and what we do not know, but ultimately, we have got to make our best judgment what is likely to happen. Thank you very much.

Chairman COLLINS. Thank you.

I want to close by thanking our colleagues for being here today. I know Monday morning hearings are very difficult, since my colleagues and myself go home each weekend, and I appreciate the efforts that they made to be here as well.

This hearing is now adjourned.

[Whereupon, at 11:52 a.m., the Committee was adjourned.]

APPENDIX

1

Secretary of State Colin L. Powell
Intelligence Reform
Written Remarks
Senate Governmental Affairs Committee
13 September 2004

Madam Chairman, Senator Lieberman, members of the Committee, I'm pleased to be with you today and I thank you for this opportunity to share with you my thoughts on reform of the Intelligence Community. I have been a consumer of intelligence in one way or another throughout my forty-plus years in public service – from the tactical level on the battlefield to the highest levels of the military and the government. I hope that I can offer some helpful insights, now, from the perspective of the conduct of America's foreign policy.

Before I start, let me add my thanks to those of millions of other Americans to the members of the 9/11 Commission for their careful examination of what went wrong during the run-up to that terrible day three years and two days ago today, and for their thoughtful recommendations to ensure that nothing like that ever happens again.

Madam Chairman, let me say at the outset that I fully support President Bush's proposals on intelligence reform.

A strong National Intelligence Director, or NID, is essential. That strength is gained primarily by giving the NID real budgetary authority. In that regard, the President's proposal will give the NID authority to determine the budgets for agencies that are part of the National Foreign Intelligence Program (NFIP).

As recommended by the 9/11 Commission, the NID will receive funds appropriated for the NFIP and he or she will have the authority to apportion those funds among the NFIP agencies. The NID will also have the authority to transfer funds and to reprogram funds within the NFIP, as well as approval authority for transfers into or out of the NFIP.

The President has empowered the NID in other ways as well.

For example, in addition to the budget authority I've just described, the NID must concur in the appointment of heads of Intelligence Community agencies if those appointments are made by department heads. And if the appointments are made by the President, the recommendation to the President must be accompanied by the NID's recommendation.

Additionally, the NID will have authority:

- To establish intelligence requirements and priorities and manage collection tasking, both inside and outside the country;
- To resolve conflicts among collection responsibilities;

- To ensure full and prompt information sharing – to include making sure that all agencies have access to all intelligence needed to carry out their missions and to perform independent analysis; and
- To establish personnel, administrative, and security programs.

Madam Chairman, the President's proposal does not adopt the 9/11 Commission's recommendation that the NID have deputies from DOD, CIA, and the FBI. President Bush believes that we need clear lines of authority and to have in the structure people who have to report to two different masters would not contribute to clarity of responsibility and accountability.

The President's proposal does put the National Counterterrorism Center under the supervision of the NID. Moreover, if any other such centers were judged necessary, those too would fall under the NID. For example, the President has requested that the Robb-Silberman Commission look at the possibility of a WMD Center.

Madam Chairman, to give the NID the sort of independent help that he will require to do his job, the President's proposal includes a cabinet-level Joint Intelligence Community Council, upon which I and my national security colleagues would sit.

This Council will advise the NID on setting requirements, on financial management to include budget development, on establishing uniform policies, and on monitoring and evaluating the overall performance of the Intelligence Community.

Finally, the President's proposal will require important changes to the 1947 National Security Act – changes I know that the members of this committee will be looking at carefully.

An example of such a change would be the plan to establish the new position of the Director, CIA and to define the responsibilities of that Agency – responsibilities that will continue to include the authority for covert action and the need to lead in the area of HUMINT collection.

Madam Chairman, I know that this committee will look closely at the President's proposal. I have been in government long enough to know also that you and the other Members of Congress will make changes to the President's proposal. And that is your prerogative, indeed your duty as the people's representatives.

As you and the other members of this committee and the Congress are reviewing the President's proposal and as you are considering what the final product of your very important deliberations will actually be, I would ask that you take into account the unique requirements of the Secretary of State and of the conduct of foreign policy for which I am responsible to the President and to the American people.

Let me give you some insights on why the Secretary of State's needs are somewhat unique but why they too would be well-served by such reform as President Bush proposes.

Diplomacy is both offensive and defensive in its application. At the State Department, we are the spear point for advancing America's interests around the globe. We are also our first line of defense against threats from abroad. As such, our efforts constitute a critical component of national security. Our efforts must not be seen as an afterthought to be serviced by the Intelligence Community only if it can spare resources from other priorities. Madam Chairman, the old adage of an ounce of prevention is worth a pound of cure describes what I am implying to a "T".

In that regard, there are a few critical considerations that should be borne in mind as we—the Administration and the Congress—design an intelligence establishment for the 21st century.

First, as Secretary of State, I need global coverage, all the time. This does not mean that the Intelligence Community should cover Chad as robustly as its covers Iran or North Korea. But it does mean that I need intelligence on developments in all countries and regions. I need it to provide information and insight to our Ambassadors around the world and to those of us in Washington. We all must deal on a daily basis with problems that range from the impact of instability in Venezuela or Nigeria on world oil prices, to ethnic, religious, regional, and political conditions that challenge our values, spawn alienation and terrorists, threaten governments friendly to the United States, and impede or facilitate the export of American products. Many times in my career I have found myself dealing with a crisis in a country that was on no one's priority list until the day the crisis hit.

Second, as Secretary of State, I need expert judgments on what is likely to happen, not just an extrapolation of worst case scenarios. The Intelligence Community we have now provides fantastic support to the military, both planners in Washington and commanders in the field. And it should do that. In many cases, its organization, priorities, allocation of resources, and mindset have evolved specifically to support military planning and operations. Worst-case scenarios are prudent and often sufficient for my colleagues in the military, but they are generally not as useful for diplomacy.

They are not as useful because in the world of diplomacy, I need to know what is *most likely* to happen. What will influence the course of events What it will take to change the course of events. And how much diplomatic capital or other blandishments it will take to achieve the President's foreign policy goals in specific circumstances. What usually happens, or what you must deal with, is something far short of the worst case.

An old rule I've used with my intelligence officers over the years is: "Tell me what you know; tell me what you don't know; and, then, based on that tell me what you think is most likely to happen."

The needs of diplomacy require more than a good ability to imagine the worst. They require real expertise, close attention, and careful analysis of all-source information. To be helpful to me and my colleagues in the Department of State, many of whom are extremely knowledgeable about the countries and issues they cover, the Intelligence Community must provide insights and add value to the information we already collect. When the Intelligence Community weighs in with less than this level of expertise, it is a distraction rather than an asset.

Third, to do my job, I need both tailored intelligence support responsive to—indeed, able to anticipate—my needs, and I need informed competitive analysis. Precisely because my intelligence needs differ from those of the Secretary of Defense, the Secretary of Homeland Security, and the Secretary of Energy—not to mention the unique requirements of the Army, Navy, Air Force and Marines—I am not well served, nor are they, by collectors and analysts who do not understand my needs or who attempt to provide one-size-fits-all assessments.

I am well-served by my own intelligence unit, the Bureau of Intelligence and Research, or INR. INR draws upon comparable and complementary expertise elsewhere in the IC – and it must be able to do this to function at its best. But any reorganization of the Intelligence Community must preserve and promote intelligence units attuned to the specific requirements of the agencies they serve. Such units should be designed to ensure their independence and objectivity but at the same time be sufficiently integrated into the parent organization to ensure intimate understanding of what is needed, when it is needed, and how it can most effectively be presented to policymakers. My INR must also be able to recruit and retain genuine experts able to provide real value to the policymaking process. This requires appropriate and different career paths and training opportunities. We need specialists, not generalists; late inning relief pitchers and designated hitters, not just utility infielders.

Fourth, we also need to take advantage of complementarities, synergy, competitive analysis, and divisions of labor. While it is imperative to have more than one analytical unit covering every place and problem, it certainly is not necessary or sensible for everyone to cover everything. Nor does it make any sense to pretend that every unit of the Intelligence Community is equally qualified to make judgments on all issues. You would not give your dentist a vote on the proper course of treatment for a heart problem and we should not derive much comfort or confidence from any judgment preceded by "most agencies believe."

What I need as Secretary of State is the best judgment of those most knowledgeable about the problem. INR and the Department of State more broadly are home to many specialists who are expert on topics of greatest concern to those charged with implementing the President's foreign policy agenda. But INR is too small to have a critical mass of expertise on almost anything. INR—and the Secretary of State—need comparable and complementary expertise elsewhere in the IC. This additional expertise ensures that as much information and as many perspectives as possible have been considered, that differences are highlighted, not muted, and that the sum total of

intelligence requirements can be met by combining the different expertise of all IC constituent agencies.

Madam Chairman, it is equally important to recognize and capitalize on the role departmental units such as INR play in the overall national intelligence enterprise.

For example, INR is not just an outstanding analytical unit; it is also the primary link between diplomats and the broader Intelligence Community. Specialists, who understand collection systems and the unique capabilities of other analytical components anticipate, shape, communicate, and monitor tasking requests that ensure I receive the information I need, when I need it, in a form that I can use. The links among policymakers, analysts, and collection and operations specialists are very short in the Department of State and this is critical to ensuring that diplomats obtain the intelligence support they need and deserve.

Departmental units like INR, structured and staffed to provide high-value support to their primary customer sets, also support other components of the national security team. Written products are pushed to other agencies via targeted e-mail and posted on classified websites. We know that INR products are read and used by analysts, policymakers, and military commanders around the world who do not have comparable in-house expertise or want a second opinion on subjects of importance. The de facto division of labor within the IC that results, in part, from the existence and promotion of "departmental" units is critical to the strength and health of the overall intelligence enterprise.

Madam Chairman, let me make another point. The Intelligence Community does many things well. But critical self-examination of its performance, particularly the quality and utility of its analytical products, is too often not one of them. Thousands of analytic judgments are made every year, but almost none of them are subjected to rigorous post-mortem analysis of what was right or wrong, which alternative judgments are best supported by subsequent events and information, whether laws of evidence and inference were properly applied, whether too much weight was given to sources that proved problematic, and so on.

We have to do better than this. Senator Pat Roberts' proposal, for example, assigns responsibility for conducting post-hoc evaluations to a new Office of the Inspector General. I think this is a good idea. One can imagine other places to locate this responsibility and other ways to achieve the desired end, but any reform scheme should include independent review of analytical products.

One more thing Madam Chairman and then I will stop and take your questions.

As you know, President Bush has issued an Executive Order to improve the sharing of information on terrorism. We need to extend its provisions to intelligence on all subjects.

In this regard, simple but critical guidelines would include separation of information on sources and methods from content so that content can be shared widely, easily, and at minimal levels of classification. For this to work, collectors must have clear ways to indicate the degree of confidence that the information is reliable and user friendly procedures for providing additional information to those who need it. Changes implemented by former DCI Tenet earlier this year and incorporated into the production of NIEs are an important step in this direction but we can and must do even better.

Similarly, decisions on who needs information should be made by agency heads or their designees, not collectors. Every day I am sent information that can be seen only by a small number of senior policymakers—who often cannot put the reports into proper context or fully comprehend their significance. Intelligence is another name for information and information isn't useful if it does not get to the right people in a timely fashion. Finally, we must do something about the problem of over-classification. Today the Intelligence Community routinely classifies information at higher levels and makes access more difficult than was the case even at the height of the Cold War. We need a better sense of balance and proportion. It isn't good enough for intelligence to reside on a highly classified computer system; if it is to be useful to policymakers, they must be able to access it on their SECRET-high systems, read it in their offices, and circulate papers incorporating that information to all with the requisite clearances.

Madam Chairman, let me stop here and take your questions.

Statement of Secretary Tom Ridge, U.S. Department of Homeland Security
Before the Senate Committee on Governmental Affairs
September 13, 2004

Introduction

Good morning, Chairman Collins, Senator Lieberman, and esteemed Members of this Committee. I am pleased to have this opportunity to speak with you about intelligence reform, in light of both the recommendations of the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission) and the President's desire to implement reforms that will strengthen the intelligence services. I also want to update the Committee on the Department of Homeland Security's (the Department or DHS) activities and how we use intelligence to protect America.

As the 9/11 Commission recognized, in the aftermath of September 11th, it was clear that the Nation had no centralized effort to defend the country against terrorism, no single agency dedicated to our homeland security. While many of our Nation's prevention and response capabilities existed, the Nation was not in a position to put the pieces together in a comprehensive manner to combat the scale of attacks we suffered on September 11th.

Our enemies are relentless, and their desire to attack the American people and our way of life remains, though weakened by our successes in the global war on terrorism. To prepare our country for the future and these new realities, the President and the Congress worked together to create a centralized point of command for homeland security. Unified by a common mission, the 180,000 people of the Department are focused daily on one vision for a safe and secure America.

The President is seeking the same unity of command for intelligence and has recently asked Congress to create the position of a National Intelligence Director with full budgetary authority. The National Intelligence Director will assume the broader responsibility of leading the Intelligence Community across our government.

The President has also announced that we will establish the National Counter-Terrorism Center, which that will become our government's shared knowledge bank for intelligence information on known or suspected terrorist and international terror groups. The new center builds on the capabilities of the Terrorist Threat Integration Center, and will ensure that all elements of our government receive the source information needed to execute effective joint action, and that our efforts are unified in priority and purpose.

Intelligence and Information Sharing

With the introduction of intelligence reform in the interim and longer term through proposed legislation, the President took an important step to strengthen our Nation's homeland security and further demonstrate his resolve in fighting the war on terror. On August 2, 2004, the President directed his Administration to take quick action on reform initiatives that would strengthen the intelligence community and improve our ability to find, track and stop dangerous terrorists. Two weeks ago, the President delivered on that

tasking by signing a series of executive orders and Homeland Security Presidential Directives that will ensure that the people in government who are responsible for defending America and countering terrorism have the best possible information and support to identify threats and to protect the homeland. These executive orders and Homeland Security Presidential Directives are supported by the valuable recommendations made by the 9/11 Commission, and build upon existing efforts within the Administration.

The first of these executive orders substantially strengthens the management of the intelligence community by establishing interim powers for the Director of Central Intelligence (DCI). Under this order, the DCI would perform the functions of the National Intelligence Director (NID), within the constraints of existing law, until the NID position is codified in law. Under the President's order, the DCI will be able to develop and present, with advice from departments and agency heads, the national foreign intelligence program budget. The President also provided the Director of Central Intelligence expanded authority to coordinate policy within the Intelligence Community (IC). The DCI will now develop common objectives and goals that will ensure timely collection, processing and analysis of intelligence.

The President's proposal will provide better unity of effort in the IC and improved linkage with law enforcement, which will greatly enhance our ability to do our job of protecting Americans and securing the homeland. The new responsibilities of the DCI will ensure that DHS has what it needs from other intelligence agencies and that our efforts are properly integrated in the national intelligence picture. DHS and other members of the IC will now go to one person who will formulate an integrated approach to common goals and objectives.

In addition, the President established the National Counterterrorism Center (NCTC) by executive order. This new center builds on the capabilities of the Terrorist Threat Integration Center (TTIC), which was created by the President more than a year ago. The NCTC will allow DHS to have a better focused intelligence interface, building off the successful integration efforts of TTIC. It will also allow my Department to have access to a central repository of intelligence information. The DHS Office of Information Analysis (IA) and the U.S. Coast Guard (USCG) Intelligence Program, as the two national IC members within my Department, will participate in the NCTC and will continue to engage in support to State, local, and private sector officials from a broader knowledge base. Effective July 9, 2004, the Departments of Homeland Security, State and Justice together with intelligence agencies established the interagency Human Smuggling and Trafficking Center as an all-source information fusion center to support efforts against the linked national security threats of alien smuggling, trafficking in persons and smuggler support of clandestine terrorist travel. As the 9/11 Commission put it: "For terrorists, travel documents are as important as weapons." An Immigration and Customs Enforcement Special Agent is expected to become the first Director.

This centralization is critical to ensuring that all DHS intelligence analysts have access to the work of the other IC analysts and vice versa. The DHS personnel assigned to the new

NCTC will be an integral part of the success of the Center and will be the direct link to the 13 other IC members' products, personnel and other resources. This open flow of analysis will enable DHS to be better informed regarding terrorist threats and intentions, which will make America more secure. Only by working cooperatively will our borders be better secured, our skies be made safer, and our Nation be better protected. The exact impact of the NCTC will not be fully known for some time, but all involved members of the IC will work together to make it fully functional in the fastest manner possible.

In addition to the NID and NCTC, the President ordered the DCI to ensure we have common standards and clear accountability measures for intelligence sharing across the agencies of our government. The President established the Information Systems Council to identify and break down any remaining barriers to the rapid sharing of threat information by America's intelligence and law enforcement agencies, and State and local governments. DHS will participate on this Council.

Within DHS, the Information Analysis and Infrastructure Protection Directorate (IAIP) has the lead on intelligence and information sharing. At the direction of Under Secretary Frank Libutti, IAIP has invigorated the communications with our State, territorial, tribal, local, major city, and private sector partners. A guiding principle for this effort is that there is more to information sharing than one Federal agency talking to another. We must ensure that those on the front-lines of homeland security have the best information to safeguard our communities and critical infrastructure. To that end, DHS is working together with its partners to identify and provide effective and workable solutions to our most challenging information sharing needs.

One information sharing initiative I would like to mention is the HSIN, which is the umbrella under which various information sharing programs fall. One such program, launched in February of this year, is the Joint Regional Information Exchange System (JRIES). The initial goal was to have all States and major urban areas in America connected to DHS by the end of summer. I am happy to say we met that goal. This low-cost system provides secure, real-time connectivity in a collaborative environment so vital homeland security information can be shared among appropriate Federal, State, and local officials. This growing system has been very successful and numerous investigations have resulted from its implementation. As a key factor in its success, it should be noted that this effort is not a federally run system, but rather a partnership with State and local officials. This is representative of how DHS approaches its mission – only by working as partners will we be most effective in securing our hometowns .

To further integrate Federal efforts with State and local officials, the Department of Justice (DOJ) and DHS information sharing staffs are working hard to bring the HSIN, Law Enforcement Online (LEO), and the Regional Information Sharing System (RISSNET) together with the goal of quickly making the systems more compatible, without duplicating efforts.

Other HSIN efforts include establishing a Secret-level classified system to the States. It also will provide greater connectivity to critical infrastructure owners and operators to

enhance opportunities for two-way information exchange. Surveillance activities by owners and operators at their own facilities often garner valuable information to identify potential terrorist activity. With the staffing of dedicated critical infrastructure sector specialists within IAIP, members of the private sector also now receive threat-related information enhanced by recommended protective actions, making threat information more meaningful and actionable. Through the HSIN system at the local community and regional level, private businesses receive alerts, warnings, and advisories directly from DHS.

DHS is also working with its Federal partners to share information more effectively. Members of 35 different Federal agencies are now all co-located together in DHS's new 24-hour Homeland Security Operations Center (HSOC), which allows incoming information coming from various sources to be synthesized and shared with other Federal partners such as the FBI and the Department of Defense. In addition, since March of last year, nearly 100 bulletins and other threat related communiqués have been disseminated by DHS to homeland security professionals across the country.

In March, we established the IAIP National Infrastructure Coordinating Center (NICC). The NICC maintains operational awareness of the Nation's critical infrastructures and key resources, and provides a comprehensive mechanism and process for information sharing and coordination between and among government, critical infrastructure owners and operators, and other industry partners for all 14 critical infrastructure sectors. The NICC will be collocated with the Transportation Security Operations Center and is fully coordinated with the National Communications System National Coordinating Center for Telecommunications (NCC-Telecom ISAC), the National Cyber Security Division US Computer Emergency Readiness Team (US-CERT), ISAC partners, and other industry and government representatives. Our efforts to develop improved information sharing procedures have involved cooperation with local DAs as well as our State and local partners.

Building International Partnerships
Information sharing efforts within the U.S. Government related to anti-terrorism are not confined to our Nation's physical borders. We have made significant progress, in cooperation with our international partners, in the global war on terror. Through bilateral mechanisms and multilateral forums, we have sought to share terrorist-related information to better secure international travel and trade and impede and deter terrorist exploitation of that system.

Border and Transportation Security
Intelligence and information sharing is important to all of our operations. It is important to recognize our programs are part of a layered approach to security. There is no silver bullet, no single security measure is foolproof, and the strategy lies in creating a systems approach, starting far from our borders.

On the commercial side, U.S. Customs and Border Protection (CBP) Officers are operating in 24 international ports of trade working alongside our allies to target and

screen cargo, helping to identify and even inspect high-risk cargo before it reaches our shores. Further, with advance manifest information requirements, 100 percent of cargo is screened through targeting using a set of specific indicators. Intelligence is a key component of the risk assessment and targeting factors. These measures enable risk-based decisions regarding prioritizing inspections and use of technologies to inspect cargo. This is not only good for security, it is good for trade facilitation, allowing expedited treatment for low-risk cargoes, such as those shipped by members of our Customs-Trade Partnership Against Terrorism program (CT-PAT).

When it comes to foreign visitors, the comprehensive screening process begins at our U.S. consulates and embassies overseas, where visa applicants at most locations provide two fingerscans and a photograph along with their biographic data (By October 26, 2004, the Department of State will have this process in place at all locations). That personal information, closely protected, is screened against extensive terrorist-related information, to which consular officers now have direct access. Upon arrival at our air and sea ports of entry, these same visitors are matched with their biometric information through US-VISIT. US-VISIT will soon expand to cover individuals from visa waiver countries as well.

Our transportation sector is more secure than ever – across all modes. We are working diligently with the Department of Transportation and State, local and private sector stakeholders to protect critical infrastructures and deploy base security measures, as demonstrated in the security directives issued to passenger rail and transit operators in April. Certainly, the Federal responsibilities in aviation, historically and as a result of the 9/11 attacks, focused intense efforts on air travel. And, to that end, DHS has put in place a strong, layered security regime, upon which we are consistently building. This includes hardened cockpit doors on 100 percent of large passenger aircraft, vulnerability assessments at over 75 of the Nation's largest airports, screening of 100 percent of all baggage, deployment of thousands of Federal air marshals, training of thousands of air crew under the Federal Flight Deck Officer Program, and development of a professionally trained screener workforce which has intercepted more than 12.4 million prohibited items since their inception. In addition, a robust screening system is in place for all international flights into the United States, and all passenger names for domestic flights are checked against expanded terrorist watch lists.

We have also recently announced our intention to move forward on our plans for a more robust passenger pre-screening system for domestic commercial aviation. The Secure Flight program, which will be tested this fall and implemented early next year, will enable the Transportation Security Administration (TSA) to better compare travelers to a list of known or suspected terrorists maintained by the Terrorist Screening Center. This list will expand dramatically upon the current *No Fly* and *Selectee* lists now operated by the airlines and will be managed entirely by the government. TSA will also retain a modified set of CAPPS I criteria that will provide a better focused layer of security, and reduce the number of passengers selected for enhanced screening.

In addition to these strides forward, we continue to seek opportunities for continued improvements in our terrorist-related screening processes. For this reason, the President issued Homeland Security Presidential Directive-11 (HSPD-11) on August 27, which directed DHS to lead a Federal Government-wide effort to develop a strategy to ensure that an efficient and comprehensive framework exists for terrorist-related screening across the Government.

Civil Liberties/Privacy

In all of these initiatives, the President's commitment to the protection of civil liberties and privacy is a guiding principle. The rights that are afforded not only to Americans but also to those who visit and live with us in this great Nation form the foundation of American society. Let me say simply that if we fail in this area, the terrorists will have won.

The Department's commitment to these ideals is further demonstrated by the appointment of our Officer for Civil Rights and Civil Liberties, Dan Sutherland, and our Chief Privacy Officer, Nuala O'Connor Kelly.

The Privacy Office has made privacy an integral part of DHS operations by working side-by-side on DHS initiatives with the senior policy leadership of the various directorates and components of DHS and with program staff across the Department. As a result, privacy values have been embedded into the culture and structure of DHS, ensuring that development of DHS programs is informed by thorough analysis of privacy impacts. And, once implemented, these programs are effective in protecting the homeland while protecting personal privacy.

The Department also has made the preservation of civil liberties a priority, and relies on the Office for Civil Rights and Civil Liberties (CRCL) to provide proactive legal and policy advice to senior leadership in the Department and its components. For example, CRCL worked closely with the Border and Transportation Security Directorate to craft positive policy changes in response to the issues raised by the DOJ Inspector General's report on the 9/11 immigration detainees. CRCL has also developed policies to establish DHS as a model employer for people with disabilities and is helping me to implement President Bush's recent Executive Order directing that people with disabilities be fully integrated into the emergency preparedness effort.

The President stands firm on the protection of our fundamental freedoms and recognizes the importance of safeguarding our civil liberties and privacy in the war on terrorism. This was noted by the recent establishment, through Executive Order, of the President's Board on Safeguarding Americans' Civil Liberties (the Board).

The Board will ensure that while the government takes all possible actions to prevent terrorist attacks on America's families and communities, we continue to enhance this commitment to safeguard the legal rights of all Americans, including freedoms, civil liberties, and information privacy guaranteed by Federal law. It will advise the President on government-wide efforts, request reports and otherwise monitor progress, refer

credible information about possible violations for investigation, and is empowered to seek outside information, perspective, and advice. Chaired by the Deputy Attorney General, with the Under Secretary for Border and Transportation Security of the Department of Homeland Security serving as Vice Chair, and other senior officials drawn from across the Federal Government with central roles in both the War on Terror and in civil liberties and privacy issues, the Board holds its first meeting today.

Preparedness

Despite the gains intelligence gives us, we have to be ready for potential terrorist attacks. I am proud to speak of our significant gains in the area of national preparedness, particularly since it is National Preparedness Month. Throughout the month of September, hundreds of activities are planned to highlight the importance of individual emergency preparedness. Eighty-five partner organizations and all 56 States and territories are sponsoring events to encourage Americans to take simple steps now to prepare themselves and their families for any possible emergencies. The Department has a number of public education campaigns aimed at improving our Nation's readiness, most notably *Ready*, and its Spanish language version *Listo* and the pending launch of *Business Ready*.

Since September 11th, the Department and its legacy agencies have directly provided nearly $8.5 billion in grants for equipment, training, exercises, planning, and other assistance to our first responders and State and local partners

To address the critical communications needs of our first responder community, we are developing a new office to coordinate Federal, State, and local communications interoperability, leveraging both ongoing and new efforts to improve the compatibility of equipment, training, and procedures.

We have also achieved some tremendous milestones in implementing a National Incident Management System (NIMS) and completing the essential core of the National Response Plan (NRP), which will ultimately consist of this base-plan and a number of supporting annexes to be finished this year. The NIMS ensures that Federal, State, and local governments and private-sector organizations all use the same criteria to prepare for, prevent, respond to, and recover from a terrorist attack, major disaster, or other domestic incidents, regardless of cause, size, or complexity.

Before moving away from the Department's significant preparedness activities, I want to mention the devastating hurricanes that have hit this country recently. In addition to continuing to send our thoughts and prayers to all of the families who have been affected, the Department has been on the ground and fully engaged in providing emergency assistance. The Federal Emergency Management Agency (FEMA) pre-positioned emergency response teams and disaster relief supplies throughout the southeast region in preparation for anticipated response operations and continues to coordinate Federal response and recovery activities with State and local agencies. Further, President Bush ordered the release of Federal disaster funds and emergency resources for Florida to aid people battered in these disasters, requested additional funds from Congress as needed,

and we continue to provide assistance to those who need Federal support in the wake of these disasters.

Oversight of DHS

As we continue to evolve into a more agile agency, we work closely with our partners in Congress. I appreciate the importance of our relationship and value the mechanism laid out in the Constitution, very appropriately, for Congressional oversight. However, this relationship would be significantly improved if there were an effort within Congress to reorganize itself, to enable more focusbody on homeland security, facilitate better oversight and ensure an even closer day-to-day relationship. Last year we testified before 145 committees and subcommittees, briefed members of Congress or committee staffs over 800 different times and met thousands of requests for information just from committee staffs. This year we're already well beyond that. We still have pending over 300 General Accounting Office reports and we've already submitted at least that number. Again, the Department benefits from its relationship with Congress and an intense scrutiny of homeland security efforts, but these numbers demonstrate the need for a more effective structure.

Conclusion

We are committed to leading the unified National effort to secure America. We have done so – and will continue to do so – by developing innovative methodologies to prevent and deter terrorist attacks, and protect against and respond to threats and hazards of all types. All the while we ensure we maintain safe and secure borders, welcome lawful immigrants and visitors, and promote the free flow of commerce. Every day, the memories of September 11th inspire us in our efforts to preserve our freedoms and secure this great homeland.

Thank you again for this opportunity to speak with you. I am happy to answer any questions you may have.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#1)
Committee on Governmental Affairs
September 13, 2004

Question:

Objectivity and independence of intelligence

What steps do you believe should or could be taken, either in structural reform or in other ways, to ensure that our Intelligence Community and its analysis is as objective and independent as possible of political influence from whatever administration is in office?

Answer:

Objectivity begins with well-trained analysts and supervisors. Expertise and experience increase confidence and willingness to take an independent stand. I believe the intelligence reform steps initiated by President Bush, the on-going collaboration with Congress for additional legislative measures, and efforts within the IC to promote transparency and competitive analysis will strengthen our intelligence capabilities, including independence and accountability. It is not "political influence" to demand and expect the very best judgments that can be made by the intelligence community. Nor does it constitute such influence to use those judgments to pursue policy ends.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#2)
Committee on Governmental Affairs
September 13, 2004

Question:

9/11 Commission report on relationship between Iraq and al Qaeda

After reviewing the reports of contacts between Iraq and al Qaeda, the 9/11 Commission concluded that "to date we have seen no evidence that those or the earlier contacts ever developed into a collaborative operational relationship. Nor have we seen evidence that Iraq cooperated with al Qaeda in developing or carrying out any attacks against the Untied States."

Given this conclusion, please comment on whether the following items from the attached portions of the May 2004 *Vanity Fair* article, "The Path to War" are accurate. If not, please explain the correct version of what happened:

a) Your Chief of Staff Larry Wilkerson and others "threw out the White House dossier" on Iraq's links to terrorism because "they suspected much of it had originated with the Iraqi National Congress (INC) and its chief Ahmad Chalabi?"
b) "As for Iraq's links to al-Qaeda, Powell's staff was convinced that much of that material had been funneled directly to Cheney by a tiny, separate intelligence unit set up by Defense Secretary Donald Rumsfeld."
c) "Instead, the group turned to the CIA analysts and started from scratch. That night, and every night for the next several days, Powell went to Langley to oversee the process...At one point, according to several witnesses, Powell tossed several documents in the air and snapped, "This is B.S."
d) "Cheney's staff constantly pushed for certain intelligence on Iraq's alleged ties to terrorists to be included - information that Powell and his people angrily insisted was not reliable.
e) "At two o'clock in the morning, hours before Powell was to give his speech, a call came from the CIA, to the operations center of Powell's hotel suite at the Waldorf Astoria. Powell had already tuned in for the night and Wilkerson picked up the phone. The message was clear

enough: George Tenet, who was staying at another Manhattan hotel wanted one last look at the text of the speech."

f) "...for days the White House and Cheney's staff in particular had been trying to link Iraq directly to the 9/11 terrorist attacks on New York and Washington. They had pressed him repeatedly to include a widely discredited Czech intelligence report that Mohamad Atta, the ringleader of the 9/11 al-Qaeda terrorists, had met in Prague with an Iraqi intelligence officer. At the last rehearsal of the speech at CIA headquarters, Powell had thrown out the Prague material as suspect and unverified."

g) "Only moments before Powell began speaking, Scooter Libby tried unsuccessfully to reach Wilkerson by phone. Powell's staff chief, by then inside the Security Council chamber, declined to take the call. "Scooter" said one State Department aide, wasn't happy."

Answer:

I don't believe it appropriate to comment on a magazine article. Moreover, the Senate Select Committee on Intelligence Report on Iraq provides an account of the preparations for my presentation at the UN on February 5, 2003.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#3)
Committee on Governmental Affairs
September 13, 2004

Question:

DOD Policy Intelligence assessment

The Office of the Under Secretary of Defense for Policy (Douglas Feith) established a group to examine intelligence on terrorist links, particularly Iraq's links to al Qaeda. This policy group argued for changes in the intelligence assessments and provided a briefing on their intelligence assessments to the staffs of the Office of the Vice President and the National Security Council, without the knowledge of the Director of Central Intelligence, and using materials that the DCI had never seen concerning an alleged meeting between Mohamed Atta and an Iraqi intelligence officer in Prague in April 2001.

Did you or Deputy Secretary Armitage ever discuss the DOD policy group's activities with Secretary Rumsfeld or Deputy Secretary Wolfowitz?

Answer:

I can't confirm what the question asserts, so it would be impossible for me or my Deputy to have discussed something we cannot now confirm as being the case.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#4)
Committee on Governmental Affairs
September 13, 2004

Question

Ahmed Chalabi and the INC

The State Department stopped providing funding to the Iraqi National Congress and its leader, Ahmed Chalabi. Were you skeptical of the reliability or value of the information provided by Chalabi and the INC? If so, did you express or share your skepticism with other agencies?

Answer:

The State Department ceased funding the Iraqi National Congress Support Fund (INSCF) on September 30, 2003; however, it ceased funding activities under the INCSF's Information Collection Program (ICP) – to which I believe you refer – in 2002. Specifically, funding for ICP activities had begun September 29, 2000 and ended with a final payment in November 2002 for activities through July of that year. One factor in the State Department's decision to end funding of the ICP was that the Department could not judge the program's effectiveness because it did not have sufficient access to the information being produced.

Separately, INR analysts expressed skepticism about a number of reports on Iraq (which were not necessarily related to the ICP) to other members of the intelligence community. However, since sourcing was not clearly identified, there is no easy correlation with INC reporting.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#5)
Committee on Governmental Affairs
September 13, 2004

Question

Intelligence Community View of sources on Iraq-al Qaeda relations

The major Intelligence Community report, *Iraqi Support for Terrorism*, was initially issued in highly classified form to a very limited audience in September 2002, and again – to a wider audience in a still classified but less sensitive form – in January 2003, prior to your UN presentation. That report acknowledged that information concerning the nature of relations between Iraq and al Qaeda was "at times contradictory and derived from sources with varying degrees of reliability." (That text is now declassified.) Did you receive either version of that report prior to your UN presentation, and were you aware of that acknowledgement?

Answer:

Yes, and I was aware of the acknowledgement.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#6)
Committee on Governmental Affairs
September 13, 2004

Question:

Competitive Analysis and INR

As Congress prepares legislation to reform the Intelligence Community, one of the issues being considered is the value of and need for competitive intelligence analysis. The State Department's Bureau of Intelligence and Research (INR) is a relatively small component of the Intelligence Community. But it had a very impressive track record on a number of issues concerning Iraq and weapons of mass destruction, which seems inversely proportional to its size. They were correct on a number of important points when they disagreed with the CIA, including on aluminum tubes and uranium from Africa.

They were overruled by other components of the Intelligence Community, most often the CIA. How can we help ensure that when competitive analysis disagrees with the CIA, it is not simply overruled or ignored?

Answer:

One of the lessons learned from our continuing review of pre-OIF intelligence is that legitimate dissenting views in the Intelligence Community must be clearly articulated to the policymakers. INR's dissents on specific aspects of the nuclear program, for example, were not completely ignored, but in the process of preparing the final version and key judgments, these views were not given the attention they deserved. I believe the National Intelligence Council (NIC), the body responsible for drafting

Community Estimates, has instituted corrective measures. Our goal should be to have a level playing field that brings expertise to the table regardless of the size or authority of the respective intelligence organizations. Creation of a National Intelligence Director with the NIC reporting directly to him should help in this regard.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#7)
Committee on Governmental Affairs
September 13, 2004

Question:

INR dissent on BW missiles and UAVs

According to the Senate Intelligence Committee Report (appendices A and B), INR told you prior to your presentation at the UN Security Council on February 5, 2003, that the claim about dispersed Iraqi missiles with biological warheads was "weak" and "too highly questionable." According to the same report, INR also agreed with the Air Force analysis that Iraq's UAVs were probably intended for reconnaissance and not for biological agent delivery.
Given these INR views, which proved to be correct, why did you tell the UN that:
"We know, we know from sources that a missile brigade outside Baghdad was dispersing rocket launchers and warheads containing biological warfare agent to various locations, distributing them to various locations in western Iraq. Most of the launchers and warheads had been hidden in large groves of palm trees and were to be moved every one to four weeks to escape detection."
And that "Iraq could use these small UAV's...to deliver biological agents to its neighbors, or if transported, to other countries, including the United States.'

Answer:

I reviewed considerable information at length before the UN speech. I did so for 4 days just prior to the presentation in close proximity to the key analysts at the CIA and on the NIC responsible for these areas, as well as

with DCI Tenet. Ultimately, I made judgments as to the credibility of specific reports and the assumptions about Iraq's WMD based on what these analysts and DCI Tenet presented to me. I thought there was sufficient credible information to make those judgments on missiles and UAVs. As we now know, some of the information was not accurate.

Questions for the Record Submitted to
Secretary of State Colin L. Powell by
Senator Carl Levin (#8)
Committee on Governmental Affairs
September 13, 2004

Question:

Pre-war Iraq Intelligence failures

The Senate Intelligence Committee report on the pre-war intelligence assessments on Iraq contains more than 500 pages of examples of CIA and Intelligence Community errors, omissions, and failures. All these failures made the Iraqi threat look more dangerous and more certain. The DCI was supposed to do the same as the proposed new National Intelligence Director would do. Is there any evidence that the DCI's lack of full budgetary authority or personnel authority contributed to those intelligence errors and failures?

Answer:

Our intelligence errors occurred for a variety of reasons, some addressed in the SSCI report and others in the 9/11 Commission's thoughtful report on terrorism. The creation of the NID, separating the Director of Central Intelligence from his hat as head of the CIA, will go far to correcting some of the more egregious errors caused by "group think." NID control of budget and personnel is less important than ensuring an independent NID, an enhanced National Intelligence Council with responsibility to assess analytic judgments, and a strong Joint Intelligence Community Council.

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