

**THE PRESIDENT'S PROPOSED FISCAL YEAR 2008
BUDGET FOR THE DEPARTMENT OF HOMELAND
SECURITY: THE OFFICE OF INTELLIGENCE**

HEARING

BEFORE THE

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

OF THE

**COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES**

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**THE PRESIDENT'S PROPOSED FISCAL YEAR
2008 BUDGET FOR THE DEPARTMENT OF
HOMELAND SECURITY: THE OFFICE OF
INTELLIGENCE AND ANALYSIS**

Wednesday, February 14, 2007

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

The subcommittee met, pursuant to call, at 3:36 p.m., in Room 311, Cannon House Office Building, Hon. Jane Harman [chairwoman of the subcommittee] presiding.

Present: Representatives Harman, Carney, Perlmutter, Thompson (Ex Officio), Reichert, Shays, and Dent.

Ms. HARMAN. Good afternoon. I would like to welcome all of you to this first hearing of the Subcommittee on Intelligence, Information Sharing and Terrorist Risk Assessment of the 110th Congress. I extend a warm welcome to our friend, Charlie Allen, the Department's chief intelligence officer, who will be talking with us not only about the President's fiscal year 2008 budget, but also, I think, I hope, he is bringing some good news about information sharing with State and locals. Let me set the context for these hearings. In public remarks last fall by the head of Britain's MI5, Dame Eliza Manningham-Buller revealed that police and others within her organization were working to contend with some 200 groupings or networks totaling over 1,600 individuals who were actively engaged in plotting or facilitating terrorist acts in Britain and overseas. And those were just the ones she knew about.

These extremists, she said, are motivated by a sense of grievance and injustice driven by their interpretation of the history between the west and the Muslim world. This view is shared in some degree by a wider constituency. She continued, we are faced by acute and very difficult choices of prioritization. We cannot focus on everything. So we have to decide on a daily basis with the police and others where to focus our energies, whom to follow, whose telephone lines need listening to, which seized media needs to go to the top of the analytic file. The task is daunting. We won't always make the right choices and we recognize we shall have scarce sympathy if we are unable to prevent one of our targets from committing an atrocity.

Dame Eliza was here several weeks ago, and she reminded me, not that I didn't know this, that the United States is only an eight-

hour—or even less—plane trip from London. And it was in London last summer where British nationals planned to blow up airplanes over the Atlantic Ocean and those airplanes, had they succeeded with this plot, could have killed thousands and thousands of tourists, many of them Americans.

While our British friends have been in the homeland security business for decades, we are, in many respects, just getting started. Unless and until we have a robust intelligence and information sharing system in place in this country, we will be unable to prevent a terrorist attack on the scale of 9/11 or greater.

And that is why this subcommittee will focus its efforts in the 110th Congress on improving information sharing with our first preventers, the women and men of State, local and tribal law enforcement who are the eyes and ears on our front lines. And it is why we pay particular attention to the issues of radicalization and overclassification of intelligence and what we can do about both of these. Of course, let me add and let me stress that we will do this work in the right way, partnering with our friends in the privacy and civil liberties community who want to protect America while preserving our cherished rights.

It is fitting that Charlie Allen is with us today as we kick off this agenda. He has put the intel function at the Department of Homeland Security on the map, and we have already started with him to review the classified portions of the President's budget request and its implications for his office. To our colleagues on this subcommittee, please remember that the I&A funding for the Department of Homeland Security and the staffing numbers are classified. It cannot be discussed during this public hearing, but the activities of the Department can be discussed. They are fair game. And this hearing will be to consider the priorities for this office through the next fiscal year and how we can jointly work to make America safer.

Welcome, Charlie. We are delighted that you are on the job and we are delighted that you are appearing before us. The Chair now recognizes the ranking member of the subcommittee, with whom I spent the last weekend at a very important international security conference, the gentleman from Washington, for an opening statement.

FOR THE RECORD

PREPARED STATEMENT OF THE HONORABLE JANE HARMAN, CHAIR, SUBCOMMITTEE ON INTELLIGENCE, INFORMATION SHARING, AND TERRORISM RISK ASSESSMENT

- Good afternoon. I'd like to welcome you all to this first hearing of the Subcommittee on Intelligence, Information Sharing & Terrorism Risk Assessment in the 110th Congress.
- And I extend a warm welcome to my friend, Charles Allen, the Department's Chief Intelligence Officer, who will be talking with us not only about the President's Fiscal Year 2008 budget but also some good news about information sharing with State and locals.
- Before we turn to those subjects, I'd like to share some chilling information I recently learned from another major player in the war on terror.
- In public remarks she made last fall, she revealed that police and others within her organization "are working to contend with some 200 groupings or networks, totalling over 1600 identified individuals. . .who are actively engaged in plotting, or facilitating, terrorist acts here and overseas."
- And those are just the ones she knows about.

“The[se] extremists,” she added, “are motivated by a sense of grievance and injustice driven by their interpretation of the history between the West and the Muslim world. This view is shared, in some degree, by a far wider constituency.”

- “We are faced by acute and very difficult choices of prioritisation,” she concluded. “We cannot focus on everything so we have to decide on a daily basis with the police and others where to focus our energies, whom to follow, whose telephone lines need listening to, which seized media needs to go to the top of the analytic pile.”

- “The task is daunting,” she added. “We won’t always make the right choices. And we recognise we shall have scarce sympathy if we are unable to prevent one of our targets [from] committing an atrocity.”

- This wise observer is none other than Dame Eliza Manningham-Buller, the Director of MI5 and a 32-year veteran of the British intelligence community.

- Dame Eliza recently reminded me that the United States is only a short 8-hour plane trip from London, where the British nationals who planned to blow up airplanes over the Atlantic Ocean last summer lived and worked.

- While our British friends have been in the homeland security business for decades, we in this country are in many respects just getting started.

- Unless and until we have a robust intelligence and information sharing system in place in this country, we will be unable to prevent a terrorist attack on the scale of 9/11 or greater.

- That is why this Subcommittee will focus its efforts in the 110th Congress on improving information sharing with our first preventers—the men and women of State, local, and tribal law enforcement who are the “eyes and ears” on our front lines.

- And it’s why we will pay particular attention to the issues of radicalization and over-classification of intelligence—and what we can do about them.

- And we’ll do this work in the right way—partnering with our friends in the privacy and civil liberties community who want to protect America while preserving our cherished rights.

- It is fitting that Charlie Allen is with us today as we kick off this agenda.

- Charlie has done a remarkable job during his tenure at the Department, and he and his staff were kind enough to brief us last week about the classified portions of the President’s budget request and its implications for his office.

- I remind my colleagues that any information about Mr. Allen’s specific funding and staffing numbers is classified, and that it cannot be discussed during this public hearing.

- I look forward to hearing about your priorities for your office through the next fiscal year, Charlie, and how we can help you make America safer.

Welcome to you again.

Mr. REICHERT. Thank you, Chairwoman Harman. I am glad to be here today as ranking member of the subcommittee and would also like to welcome the members of the subcommittee, and especially the new members. As I am sure you know we have important work to do. The subcommittee’s mandate is very broad, and I believe Chairwoman Harman and I share an interest in several topics, including information sharing, overclassification and the role of State and local fusion centers. We are here to examine the plans and programs of the Department of Homeland Security Office of Intelligence and Analysis, because it is budget season but this is not simply about the numbers. This hearing is a part of a series that will help lay a foundation for a DHS authorization bill—try to say that fast three or four times. Although the House has passed an authorization bill in the past, the Senate has never joined us in this effort, and I am hopeful that will change this year. Part of the subcommittee’s title is information sharing.

As a former cop of 33 years I know what it is like to have information sharing bottlenecks and breakdowns. Before September 11, information sharing was a challenge, but in the age of global terrorism, information sharing can no longer be just a challenge. It is an imperative. It has to happen. Information sharing has improved tremendously since September 11, but it must get better. The pro-

gram manager for the information sharing environment has issued his information sharing implementation plan, and the FBI has set up an additional joint terrorism task force and field intelligence groups. Information sharing fusion centers were developed from the grassroots efforts of State and local law enforcement. Congress and the Department and the program manager for the information sharing environment must work together to strengthen the coordination between these efforts.

Mr. Allen, we welcome you today, look forward to your testimony on how the Office of Intelligence and Analysis is working to strengthen our Nation's intelligence community and secure our homeland. Welcome. I yield.

Ms. HARMAN. Thank you. It is now my real personal pleasure to welcome the chairman of the full committee, the gentleman from Mississippi, Mr. Thompson. You should all know that it was he who first staked out the ground that we will explore today. He has been extremely interested in how information is shared between the INA function at DHS and State, local and tribal authorities. He has been pushing to integrate local officials into the NCTC function and recently sent a letter to Mr. Allen, and I am very honored to invite him to make some opening remarks. Please welcome the chairman of our full committee.

Mr. THOMPSON. Thank you very much, Madam Chairman, and I am very happy to be a part of your committee, and Mr. Allen, I welcome you here also. You have been on the job 18 months. I know it seems like an eternity, but it has only been 18 months, but I can assure you that from my vantage point, you have been getting the Department on sound footing, and I appreciate it. On a personal note, I appreciate the outreach you have given me as a member of this committee as well as a Member of Congress. You have been straightforward.

Where you had problems you said it, and I can appreciate that. Too many times, we run up on individuals at your level who try to defend the indefensible, and you have been a real shining light in that respect. But I do want to hear your analysis of this present budget that has been put forth by the President to make sure that you can do your job.

The information sharing that the Chairman alluded to is a real concern of this committee as well as, you know, most Members of Congress. We can't really get the bad guys until we have access to the information, and you have to help us take that lead.

So I look forward to your testimony. I look forward to continuing our relationship. On a personal note, I have shared with you the lack of diversity in your shop. I want to reiterate that from my position as chairman of the overall committee, you absolutely have to do better. I am told that you are working on it. If you have some information on what you are moving in that area, it is not just a minorities in that sense, but it is women and others that we desperately lack in that arena, and we are all in this together. So I look forward to your testimony, and I yield back, Madam Chair.

FOR THE RECORD

PREPARED STATEMENT OF THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN,
COMMITTEE ON HOMELAND SECURITY

Thank you, Madame Chair, I join you in welcoming Mr. Allen to this first hearing of the Intelligence Subcommittee in the 110th Congress.

It has been eighteen months since your appointment as Chief Intelligence Officer, Mr. Allen.

During that time you have taken the Office of Intelligence and Analysis to a place where it is finally finding its footing.

I know it's been a challenging road, and I thank you for your service.

With that said, I'm concerned that the President's proposed budget will leave you hobbled on that road.

Last year, the President's budget provided a 32% increase in funding and 67% increase in staffing for I&A.

This year, the President seeks a mere 5% increase in budget and a modest 9% increase in staffing.

There appears to be a "leveling off" of the commitment to Analysis and Operations by the President. This "leveling off" is troubling given that your stated goals for I&A are unfulfilled. Specifically, I am concerned that this budget will not provide adequate resources to support the following goals for I&A: integrating the Department's intelligence units; fully funding, staffing, and rolling out your State and Local Fusion Center Program; developing a robust border intelligence capability; and protecting the homeland from a WMD attack.

I am not sure what it says about whether you have the full support from the President on these critical initiatives if the resources are not there.

If he really believed your initiatives were a priority, surely he could have found more funding somewhere.

Where this leaves you and your Office of Intelligence and Analysis is a mystery.

Although the actual dollar and staffing figures for your office are classified, I hope you'll be able to shed some light on how you plan to prioritize your work over the next fiscal year.

This will be challenging for you, I am sure, given the short shrift the President has shown you in his proposed budget. Welcome again, Mr. Allen. I look forward to your testimony this afternoon.

Ms. HARMAN. I thank the chairman. The ranking member of the full committee is not present, and I would remind other members that they can submit opening statements for the record. So now we will welcome our witness. Welcome again, Charlie Allen. Charlie Allen, the Department's chief intelligence officer, is a living legend within the intelligence community. I don't know if that makes you feel good or makes you feel dead, but nonetheless, it is how people refer to the only person so far as I know, who retired after a distinguished 50-year career at CIA and then came back to help DHS climb out of a fairly deep hole on intelligence.

That was a great sacrifice for you and your family, and we recognize that. And we applaud you and send thanks on behalf of a grateful Nation for the fact that you are doing this work. Prior to Mr. Allen's arrival at the Department, he served as Assistant Director of Central Intelligence For Collection from June 1998 until August 2005. He also chaired the National Intelligence Collection Board, which ensured that collection was integrated and coordinated, that is still a work in progress I know, across the intelligence community. He still serves as a member of the Strategic Advisory Group, SAG, a U.S. strategic command, and has been in this position since 1999.

And over the 50 years, I don't have enough time to read the pages of the positions that he held in the Agency. Without objection, Mr. Allen, your full statement will be inserted in the record, and I would now ask you to summarize for this committee.

STATEMENT OF CHARLES E. ALLEN, CHIEF INTELLIGENCE OFFICER, OFFICE OF INTELLIGENCE AND ANALYSIS, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. ALLEN. Thank you, Chairman Harman. It is a great pleasure again to be here, and it is a great pleasure again to see and discuss the issues of great concern with Chairman Thompson. Ranking Member Reichert, you and I had an opportunity to meet the other day and talk about information sharing, and I look forward to your questions on that. Members of the subcommittee, I really wish to discuss the intelligence initiatives that we are undertaking within the Department of Homeland Security, especially in the area of information sharing. I want to thank Chairman Thompson especially for his strong support of homeland security in this area, and especially for the help that he has provided to me and to the Department to ensure that Federal information flows to our non-Federal partners.

I would like to begin my testimony by setting forth my vision for homeland security intelligence and then making a couple of commitments. I envision a seamless community of intelligence professionals stretching out across the Nation to our partners in State and local fusion centers and inclusive of traditional intelligent professionals, of law enforcement professionals and of State, local and private sector intelligence professionals. This community is founded on the thesis that all of its members are equally essential to its success. The threat that we face to our Nation is too complex to be solved without the full engagement of the entire communities involved. These communities are guided by the principle laid out by the new Director of National Intelligence, Mike McConnell, when he said that each member of the community equally shares a responsibility to provide. It is in this context and in direct response to Chairman Thompson's letter to me, and Madam Chairman, to your conversations with me that I am pleased to announce the Department's support for the embedding of State and local government representatives in the interagency threat assessment and coordination group, I pledge my staff's full effort to make this happen as smoothly and as swiftly as possible.

The interagency threat assessment and coordination group will facilitate the production of Federal coordinated information, ensuring our non-Federal partners have the validated, accurate, timely and actionable information they need to protect against terrorism. We at DHS are proud to be leading this group in cooperation with our partners and we expect to have the group up and running in the coming days.

This is only one of many steps that we are taking in the area of information sharing to realize a vision of a truly seamless community of homeland security intelligence professionals where each member is treated as an equal partner and fully acts on this responsibility to provide.

Madam Chairman, I further pledge to you that DHS intelligence, by which I conclude the intelligence programs of DHS's operating components, will set the standard for inclusiveness, access and collaboration with all of our partners at both Federal and non-Federal levels. In many cases, by nature of the Department's position at the center of these multiple professional communities, I expect that we

will lead the integration of these partners into a true homeland security intelligence community. Let me turn now briefly to fiscal year 2008 budget.

Over the past year we have made significant progress in building our intelligence capabilities and delivering results to our partners and customers. The number of new initiatives in the area of intelligence has been remarkable. In the budget we are presenting for fiscal year 2008, we will not only sustain our current efforts and continue to build capacity across the DHS intelligence enterprise, but also add targeted investments to mature further the Department's capabilities through a strong open source program, the building of the national immigration information sharing office, enhancing our State and local fusion center program office and further integrating our program to support securing our borders.

Let me just speak briefly on the domestic program's open source enterprise. This program will increase our open source research and analysis capabilities for the benefit of DHS intelligence enterprise as well as Federal, State, and local law enforcement agencies in the intelligence community. I cannot emphasize too strongly the value of open source for homeland security in fulfilling our determination to share information on all levels of government, but most importantly, at the State and local levels. Also the National Immigration Information Sharing Office which we are standing up. This program will facilitate the appropriate uses of citizenship and immigration benefits information currently being collected and housed at a U.S. citizen and immigration service facility in Lee's Summit, Missouri.

Our support to State and local fusion centers will also grow over the next year. The moneys that we have requested will fund intelligence officers and support infrastructure to continue establishing robust intelligence partnerships between the States, the private sector, the Department and the Federal Government.

In a department focused on risk management, I would be remiss if I did not identify for you key areas which I consider to be crucial that could put at risk our success in delivering results. These factors are recruiting and retaining the best and the brightest from American colleges and universities, integrating our Department's intelligence programs and ensuring adequate facilities to house our officers.

While my focus today is largely on the Office of Intelligence and Analysis, I believe many of these risk factors also hinder, to some extent, the other six intelligence programs of the Department.

DHS intelligence began delivering a positive return on its investment as a result of funds authorized and appropriated by you. For that, I am very grateful. With your strong support, we have inter-Alia-initiated first department-wide basic intelligence course. We have deployed an advanced team to El Paso, Texas, as part of our intelligence campaign plan to help integrate the Nation's intelligence support to border security. We are reporting information never before accessible for intelligence analysis in collaborating with partners that previously were not valued as intelligence professionals.

We have significantly improved the quality of our finished intelligence, which is now informing the most senior officials of our gov-

ernment that there is much work to be done, and the face of threats is real today as any time since 9/11, and which are likely to grow rather than recede in the foreseeable future.

In sum, we have only begun our work. So let me begin my testimony where I began, by restating my commitment to ensure State and local participation in the interagency threat assessment and coordination group, and to ensure DHS sets the standard for inclusiveness, access and collaboration with all of our partners at both Federal and non-Federal levels. Let me add one additional pledge, that I and DHS intelligence will be absolutely relentless in working to keep the Nation safe.

We believe the budget we have submitted is sound and needs to be approved as submitted if we are to accomplish that goal. We promise to deliver more in the future than we have delivered in the past, and we will never lose sight of the need to protect civil rights, civil liberties and of the public we have sworn to protect. I await your questions, Madam Chairman.

FOR THE RECORD

PREPARED STATEMENT OF CHARLES E. ALLEN

Introduction

Chairwoman Harman, Ranking Member Reichert, and Members of the Subcommittee: Thank you for the opportunity to appear before you today to discuss vital intelligence initiatives we are undertaking within the Department of Homeland Security.

There has been a great deal of dialogue over the past year on the topic of information sharing. The Intelligence Community, especially under the leadership of outgoing Director of National Intelligence Negroponte and the Federal Government's Information Sharing Environment Program Office, has made a great deal of progress across a broad swath of initiatives. Much of the dialogue has centered on the question of relationships—partnerships really—among members of the Intelligence Community, amongst Federal departments and agencies, and arguably most importantly between the Federal government and the non-Federal government and private sector.

Dialogue is key to understanding, and the ongoing dialogue has borne great fruits as we continually enhance our understanding of how to build strong partnerships. At the same time, some recent dialogue has, from my perspective, misrepresented my views of these partnerships. I would like to begin my testimony by clarifying my vision, and that of the President, for these partnerships and then making two pledges to demonstrate how our dialogue informs our actions.

Vision

I envision a truly seamless community of intelligence professionals stretching out across the nation inclusive of traditional intelligence professionals, of law enforcement intelligence professionals, and of State, local and private sector intelligence professionals. This community is founded on the thesis that all of its members are equally essential to its success—the threat is too complex to be solved without the full engagement of the entire community. The community is guided by the principle laid out by the Director of National Intelligence (DNI) Mike McConnell that each member equally shares a “responsibility to provide.”

It is in this context that I am pleased to announce the Department's support for the participation of State and local government representatives in the Interagency Threat Assessment and Coordination Group and pledge my staff's full effort to make this happen. The Interagency Threat Assessment and Coordination Group will facilitate the production of “Federal coordinated information,” ensuring our non-Federal partners have the validated, accurate, timely, and actionable information they need to protect against terrorism. We at DHS are proud to be leading this group, in cooperation with our partners, and we expect to have it up and running in the coming weeks.

This is only one of many steps we are taking to realize my vision, and that of the President, of a truly seamless community of homeland security professionals—where each member is treated as an equal partner and fully acts on this responsibility to provide. Madam Chairwoman, I further pledge to you that DHS Intelligence, by which I include the intelligence programs of our operating components, will set the standard for inclusiveness, access, and collaboration with all of our partners at both the Federal and non-Federal levels. In many cases, by the nature of the Department's position at the nexus of these multiple professional communities, I expect we will lead the integration of these partners into a true homeland security intelligence community.

Let me now talk briefly about what we have accomplished and what we are doing this year to build our core capacity to deliver intelligence to our partners and customers.

Fiscal Years 2006 and 2007: Building Core Capacity

The threat we face today is more borderless, complicated, stretches farther across the globe, and evolves more rapidly than ever before. DNI McConnell shared the same message in his confirmation hearings. Over the past few years, through your work on intelligence reform, the President's leadership, and the efforts of former DNI Negroponte, we have begun the hard work of transforming the Intelligence Community to provide the support our nation requires to prosper in the face of this new threat environment. Over the same period, my Office was building core capacities while simultaneously transforming structure and approach to keep pace with the changing homeland security environment and to integrate into the institutions formed to counter the many threats the nation is facing.

The Office of Intelligence and Analysis

Since its inception, the Office of Intelligence and Analysis has been focused on building its core capacities to deliver intelligence. We have worked through the challenges of standing up an outstanding workforce, we are establishing the policy and procedures for our unique approach to intelligence, and we continue to work hard to understand our widely diverse customers' requirements. We still have much work to accomplish, but I want to highlight the progress we have made.

In response to the Department's priorities, I have restructured my organization, realigned our focus toward the full spectrum of threats against which the Department is securing the homeland, and rebalanced my workforce to build a capacity that is sustainable into the future. I brought onboard an experienced leadership team and I have filled senior vacancies with strong leaders and managers. I continue to focus on recruiting a world-class workforce and retaining high performers by investing in a nurturing training, education and professional development program.

We have made significant progress in establishing a strong collection requirements and management program—building initial capacity in open source intelligence, streamlining the reporting of information of intelligence value by our reports officers, and improving our exploitation of information gathered through the Department's conduct of law enforcement. We have broadened our analytic scope to encompass the broad spectrum of threats to the homeland and have improved the quality of our analysis. We regularly produce homeland security intelligence assessments to brief the Secretary, Deputy Secretary, and other senior Department officials and directly support key Department efforts such as the Secure Border Initiative and the Visa Waiver Program. Furthermore, we have demonstrated the value of homeland security intelligence by contributing regularly to the President's daily brief and the National Terrorism Bulletin. We continue to provide homeland security operators and policy makers, the Intelligence Community, and our Federal, State, local, tribal, and private sector partners with tailored, timely, and actionable intelligence. Supporting all of this, we have established a functional information technology and knowledge management backbone and have laid the foundation for this backbone to continue to keep pace with advancements in technology. My Office has unique legislative authorities for handling all types of information relevant to homeland security. We will ensure our information technology system does this in an auditable manner that ensures both effective use of the information and the protection of privacy and civil liberties of Americans.

The DHS Intelligence Enterprise

The Secretary demonstrated his vision of the role of intelligence within the Department in his Second Stage Review, where he simply stated, "Intelligence is at

the heart of everything we do.” As a result of the review, the Secretary created the position of the Chief Intelligence Officer to lead and manage the integration of the DHS Intelligence Enterprise. I am honored to be the first person to hold this position. One of my first actions as the Chief Intelligence Officer was to establish the Homeland Security Intelligence Council, which is comprised of the heads of the seven intelligence components in the Department and key members of my leadership team. This Council serves as my principal decision-making forum for intelligence issues of Department-wide significance. I also made it a priority to issue the first DHS Intelligence Strategic Plan.

Under the authorities laid out in the Department’s Management Directive 8110, last spring I implemented the first ever DHS Intelligence Program Reviews. As a result of my program reviews, the Commissioner of Customs and Border Protection charged his Director of Intelligence with developing an integrated Customs and Border Protection intelligence structure. We continue to professionalize our program review capabilities and will institutionalize this process of careful scrutiny of investments in intelligence throughout the Department. Our goal is to ensure that we are efficient and effective in our approach across the Department and to develop an intelligence culture within DHS.

Additionally, we are working throughout the Department to improve and integrate existing information collection capabilities, such as our Department’s air-based systems, ground sensors, and law enforcement technical collection capabilities. Our efforts will result in a departmental approach to Intelligence, Surveillance, and Reconnaissance (ISR) that will complement the abilities of our partners in the Intelligence Community. Similarly, intelligence analysts are now collaborating with one another across the Department on specific projects, reflecting a unique Departmental contribution to intelligence. These efforts move us toward a Department-wide intelligence production plan and a culture of collaboration.

The Homeland Security Intelligence Community

The realization of a national homeland security intelligence community—rests on establishing a partnership of equals and building the physical infrastructure to connect all members of the community. I am taking steps both in the establishment of this partnership of equals (through my State and Local Fusion Center Program, in coordination with the President’s National Fusion Center Framework, and a culture of inclusiveness) and the foundational physical infrastructure (providing unparalleled access, both at the Secret level and the controlled unclassified level). My analysts in the DHS Homeland Infrastructure Threat and Risk Analysis Center (HITRAC) are building an additional foundation for our partnership with the private sector.

Our State and Local Fusion Center Program (SLFC Program) is a direct outgrowth of the Homeland Security Act (HSA) of 2002 and the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, and is being developed consistent with the President’s Information Sharing Guidelines. In both the HSA and the IRTPA, the responsibilities of the Federal government were broadened to include a much more pronounced requirement to build a unified homeland security community composed of both Federal and non-Federal members. The DHS State and Local Fusion Center Program is designed to ensure that State and local officials are tied into the Department’s day-to-day operations, just as my officers are embedded in theirs.

The SLFC program is working to get DHS personnel to link the Federal government to our State and local customers. To date, we have deployed 12 officers to 12 fusion centers around the country. We will continue our aggressive schedule to deploy up to 35 officers by the end of FY 2008, and are currently conducting assessments, in coordination with both our Federal and State and local partners, to determine which centers have the greatest need. Our officers in the fusion centers are working with their partner homeland security and law enforcement intelligence professionals to share information, to collaborate on analysis, and to identify local information of value. The result will be better reporting of critical information and intelligence, both horizontally among the fusion centers themselves and vertically to the Federal community.

This year I have directed my intelligence analysts to reach out to relevant SLFCs to develop joint analytic products with State and local partners. Recently, my Office published a special assessment of Muslim extremist radicalization within the California prison systems. This analytic assessment was possible only because of the partnership my Office has with members of California’s law enforcement communities.

We also realize there is a major need to provide mechanisms (the physical infrastructure and information management technology) to augment more complete shar-

ing of intelligence reporting and analytical products. At the unclassified and FOUO level, we have established a pilot program capability, under the Homeland Security Information Network (HSIN), that includes an intelligence portal where we comprehensively post both intelligence reporting and analytical products at the FOUO level. We plan to expand this portal to allow for protected email exchange for States to collaborate while being protected from intrusion. At the SECRET level, my Office, in full coordination with the Department Chief Information Officer, is deploying the Homeland Secure Data Network (HSDN) to the fusion centers, and, in an unprecedented move for the Federal government, the Department is giving State and local officials direct access, in their own facilities, to this network that provides reporting and email not only from the Department but also from the rest of the Intelligence Community. The establishment of the HSIN portal (FOUO level) and the deployment of HSDN (SECRET level) are major steps forward in increasing the connectivity between DHS Intelligence and our partners at the State and local level.

With that brief highlight of our capacity building at the Office, DHS Intelligence Enterprise, and Homeland Security Intelligence Community levels, let me turn now to our Fiscal Year 2008 budget.

Fiscal Year 2008 Budget: Enhancing Capacity Through Targeted Investment

We have made steady strides since the inception of the Department in building our intelligence capability and delivering results to our partners and customers. In Fiscal Year 2008, we will continue to enhance our capacity across our mission areas (Intelligence Requirements, Collection and Dissemination; Analysis and Warning; Information Sharing and Knowledge Management; Mitigation, Prevention and Readiness; Mission Advocacy; Planning and Integration) by sustaining current investment levels and adding modest targeted investments to further mature the Department's capability.

Intelligence Requirements, Collection and Dissemination

I will sustain current investments in intelligence requirements, collection, and dissemination. In addition, we are requesting modest additional investments in targeted capabilities in Open Source Intelligence and the National Immigration Information Sharing Office.

- Domestic Programs Open Source Enterprise: This program will increase our open source research and analysis capabilities for the benefit of the DHS Intelligence Enterprise, as well as Federal, State, and local law enforcement agencies, and the Intelligence Community. We will develop a strong Open Source Intelligence (OSINT) capability focused on our areas of expertise and responsibility to complement the broader Intelligence Community's open source investments. This OSINT capacity will respond to the modern recognition of the value of open-source intelligence. Our open source initiative will seek to fulfill three of the Secretary's budgetary goals of protecting the homeland from "dangerous people," "dangerous goods," and to "protect critical infrastructure."
- National Immigration Information Sharing Office (NIISO): This program will facilitate the appropriate uses of citizenship and immigration benefits information currently being collected and housed at a U.S. Citizenship and Immigration Service's facility in Lee's Summit, MO. This new initiative will seek to fulfill the Secretary's budgetary goal to protect the homeland from "dangerous people."

These new initiatives, along with the maturation of the DHS' Integrated Collections Strategy and integrated approach to Intelligence, Surveillance, and Reconnaissance (ISR) will improve Department's responsiveness to our internal and external partners needs, as well as complement the abilities of our partners in the Intelligence Community. In addition, I will continue to professionalize and sustain my investment in my Reports Officer program. This program which has been underway for the past 2 years is designed to facilitate our access to a broader range of information. DHS Reports Officers maximize the quality of information provided to the Intelligence Community by ensuring that law enforcement information is protected and that all departmental records and databases are reviewed.

Analysis and Warning

I will continue to improve the quality of analysis and warning by sustaining current levels of investment across my Intelligence Watch and Warning; Chemical, Biological, Radiological, and Nuclear (Protecting the Homeland from attacks using WMD is a top priority of the Department, resulting in major efforts across the homeland security intelligence enterprise. In FY2008 we expect to be well underway in implementing our Homeland Intelligence WMD Strategy.); Homeland Threat En-

vironment; and critical infrastructure (via HITRAC) focus areas. I will increase our depth and knowledge by making a modest additional investment in my borders analytic capability (through my **Integrated Border Intelligence Program**). The primary impetus for improvement, however, will come from institutionalizing the realignment of my Office's analytic corps instituted during FY 2006 and FY 2007, including specific branches dedicated to analyzing radicalization within American society and travel systems vulnerabilities. In addition, we are solidifying our relationships with our Departmental partner organizations as the Domestic Nuclear Detection Office, Science and Technology Directorate, National Preparedness and Protection Directorate, Office for Civil Rights and Civil Liberties, and the Office of Health Affairs, in order to leverage their information and knowledge to support our analytical efforts.

Information Sharing and Knowledge Management

Having made solid investments in information sharing and knowledge management in FY 2006 and FY 2007, I will continue to provide services in these areas, further developing the enterprise architecture and expanding our connectivity with our Federal and non-Federal partners. One of the cornerstones of these endeavors is the expansion of a collaborative information environment at the SECRET level, which will foster classified communication amongst the Department's components and with our state and local partners. This capability, coupled with the Department providing access to both intelligence reporting and analytical products at the unclassified and FOUO levels, will enhance our information sharing relationships with State, local, tribal and private sector partners. In this effort, we are fully engaged with the DHS Science and Technology (S&T) Directorate and other Departmental components through an Integrated Process Team process to identify, develop, and acquire technology to help us improve information sharing. For example, S&T resources are targeted to develop technology that will improve data sharing and data fusion for information sharing.

Mitigation, Prevention and Readiness

I am sustaining my current investments in mitigation, prevention and readiness. In FY 2007 we are making the initial transition toward a shared DHS Intelligence Enterprise continuity of operations capability and I will use my current levels of funding to continue to finalize that transition in FY 2008.

Mission Advocacy

I will bolster my investment in mission advocacy to ensure we meet my pledge to build a seamless homeland security intelligence community uniting the Intelligence Community, the law enforcement intelligence community, and our non-Federal and private sector homeland security partners. In particular, I am making a new investment in our State and Local Fusion Center Program (SLFC) to bolster our agency investments made in FY 2006 and FY 2007 to jumpstart this critical program.

- Support to State and Local Fusion Centers (SLFC): This program will fund intelligence officers and support infrastructure to continue establishing robust intelligence partnerships between the States, private sector, the Department, and the Federal government. This initiative will seek to fulfill four of the Secretary's budgetary goals—protect the homeland from “dangerous people,” protect the homeland from and “dangerous goods,” “protect critical infrastructure,” and build “a nimble, effective emergency response system.”

I am working to implement the President's vision of a National Network of Fusion Centers. We envision a network of State, local, and Federal intelligence and law enforcement professionals working together to achieve a common goal—protecting the homeland. The Federal government recognizes that State and local authorities have been working at this far longer than the Federal side. Working together—leveraging our networks, moving relevant information and intelligence quickly, and enabling rapid analytic and operational judgments - will be the central purpose of a National Network of Fusion Centers.

Planning and Integration

I will continue to focus on planning and integration in FY 2008 by maintaining the investment commitments I have made in this area, while adding a new capa-

bility to integrate the parts of our DHS Intelligence Enterprise focused on border security.

- Integrated Border Intelligence Program (IBIP): Provides additional personnel and support infrastructure for direct intelligence support to all border security operations and an increase in Intelligence and Analysis' border analysis capability. This initiative will also seek to fulfill all five of the Secretary's budgetary goals.

Some of this new capability I discussed above in the analytic area. A major additional component of this capability is an investment in the deployment of additional intelligence professionals to key hubs on the southwest border in order to build a more integrated DHS Intelligence capability. These efforts will be supported by ongoing Departmental integration activities, such as offering Department-wide intelligence training programs and institutionalizing the Intelligence Campaign Planning Program.

Risks: Human Capital, Continued Integration, and Facilities

In a Department focused on risk management, I would be remiss if I did not discuss with you those key areas that I consider to be factors that put at risk our success in delivering results. While my focus today is largely on the Office of Intelligence and Analysis, after consulting with my Homeland Security Intelligence Council, I believe many of the risk factors that apply to my Office also hinder the other six intelligence programs in the Department. These challenges—primarily in human capital, integration, and facilities—are immense and not only slow our delivery in priority areas, but contribute to an atmosphere that exacerbates the challenge of daily worklife. Even though these conditions continue to hamper the valuable contributions of the people of the Office of Intelligence and Analysis and the DHS Intelligence Enterprise, they are nonetheless resolute in their devotion to duty.

Throughout the Intelligence Community, there has been a significant effort to recruit and retain a world-class intelligence professional workforce. As a result of the number of intelligence vacancies throughout the Intelligence Community and the private sector, my Office, as well as our counterparts throughout the DHS Intelligence Enterprise, are facing great challenges to fill our vacancies and retain the staff we have onboard. I and my staff have been open and transparent with you in the challenges we are facing in filling our vacancies. To overcome these challenges, we are vigorously implementing our recruiting strategy, which includes participation in career fairs; making innovative use of the Pat Roberts Scholarships for vacancies in the Office of Intelligence and Analysis as well as for continuing education; and employing the hiring flexibilities available to us. Nonetheless, our progress is sluggish and we are not consistently successful in competing with the rest of the Intelligence Community and the private sector for candidates. I attribute some of this to the imbalance created by having the majority of the Intelligence Community eligible for excepted service and some, like the Office of Intelligence and Analysis, in the traditional, more rigid competitive service. In addition, factors such as the security clearance process only serve to further delay our hiring process. While I realize this is a complicated area, I am coming to the conclusion that we must grant DHS Intelligence the same excepted service flexibility available to its partner organizations in the Intelligence Community; this will create a more unified and mobile intelligence workforce as envisioned by intelligence reform.

When I first arrived at the Department, I made integration of the DHS Intelligence Enterprise a priority. As I noted earlier, we have made progress in integrating our intelligence capabilities through the establishment of the Homeland Security Intelligence Council, publishing the DHS Intelligence Strategic Plan, and conducting the first intelligence program reviews. However, I am concerned by the acute separation between our current status and what needs to be done to reach that goal. I am working with the Secretary to augment the authorities I have received under Management Directive 8110 to help tear down some of the internal walls that prevent some aspects of integration. For example, I am working to gain greater flexibility in moving intelligence resources between programs to be able to rapidly support shortfalls throughout the DHS Intelligence enterprise. I am also working to gain more flexibility in supporting all members of DHS Intelligence Enterprise in recruiting and retention and to make it easier to rotate personnel throughout the DHS Intelligence Enterprise for career development purposes.

While real improvements have been made over the past year for which we are very thankful for the support of the Under Secretary for Management and his facilities team, we still labor in facilities that are not comparable to those of other Intelligence Community agencies and have limited our analytical and integrative capabilities. In addition, I am certain that the condition of the facilities has negatively

impacted our ability to recruit and retain a world-class intelligence professional workforce. While the Department has made strong progress in upgrading our facilities and has identified a long term solution (facilities on St. Elizabeth's that will be tailor made for DHS Intelligence), we are a long way from having facilities on par with our status as a member of the Director of National Intelligence's Program Managers Group.

Conclusion

DHS Intelligence is a modestly-sized program, but we have begun delivering a positive return on that investment—we initiated the first Department-wide basic intelligence course last month. . .we have deployed an advance team to El Paso, Texas as part of our Intelligence Campaign Plan to invigorate the integration of the nation's intelligence support to border security. . .we are reporting information never before accessible for intelligence analysis and collaborating with partners that previously were not valued as intelligence professionals. . .we have significantly improved the quality of our finished intelligence, which is now informing the most senior officials of our government—but there is much work yet to be done in the face of threats as real today as at any time since 9/11.

The disrupted aviation plot of last summer is a grim reminder that international terrorism continues to represent a direct and extremely dangerous threat to the Homeland. The United States and its allies are engaged in a global struggle against a broad range of transnational threats. Our nation's communities face the threat of terrorism, of cross-border violence spurred on by the poison of illicit trafficking in narcotics, and of the diminishment of our humanity by the exploitation of men, women, and children by international criminal organizations.

So let me end my testimony where I began—by restating my pledges to engage State and local participation in the Interagency Threat Assessment and Coordination Group and to ensure DHS Intelligence sets the standard for inclusiveness, access, and collaboration with all of our partners at both the Federal and non-Federal levels and by adding one additional pledge:

I, my Office, and the DHS Intelligence Enterprise along with our Federal, State, local and private sector partners, will be absolutely relentless in the pursuit of excellence; we will deliver more in the future than in the past; and we will never lose sight of the civil rights and civil liberties and of the public that we have sworn to protect. I ask for your support as we seek to honor the pledges we have made to you and to the American people today.

Ms. HARMAN. Thank you very much. That testimony will be extremely helpful. Let me note that the chairman of the full committee has left briefly, but he will be back, and when he is back, I will recognize him out of order to ask questions. I would also like to acknowledge that Ms. Brown-Waite, a member of the full committee but not of this subcommittee, was here briefly, and if she should return, I would ask unanimous consent for her at the end of questions of others to be able to question the witness.

And finally, I would ask unanimous consent to submit for the record a letter dated January 25, 2007, in which Chairman Thompson—I want to be sure you are alive, Charlie—sent to Mr. Allen with respect to information sharing.

Ms. HARMAN. It was that letter that requested the embedding of State and local personnel in the NCTC, and I am very pleased, Mr. Allen, to have heard you say at the top of your statement that that is something you will do, and I think it is the right thing to do, and it also shows on the first hearing of the 110th Congress that this committee is working in partnership with you to make information sharing better.

So I think it is a win-win-win, obviously a win for you in terms of how you will be able to do your job, a win for us in terms of how we will be able to do our job, but most important, a win for our communities, which should, as a result, get better intel out to first

preventers so that they know what to look for and what to do in a timely fashion.

I thank you for your testimony. I am reminding every member of this subcommittee that he or she will have 5 minutes to question the witness, and I now recognize myself for 5 minutes, and I will adhere strictly to my own time, and urge all of us to do that. If we do have time we can do a second round of questions.

Mr. Allen, as I said in my opening remarks, the fear of radicalization is huge in Britain, and Britain is preparing for major attacks and has, fortunately, with our help, unwrapped unraveled a plot last summer that could have killed thousands of people, many of them Americans and had the ugly specter of British citizens killing American citizens as they tried to fly here.

So could you address this subject briefly for us and tell us what work you are doing in the area of radicalization and what tools you believe the intelligence and law enforcement communities need to stop and to prevent extremists or disrupt extremists before they attack us here at home.

Mr. ALLEN. Yes, Chairwoman Harman. We are taking a very serious look at radicalization in American society. We think we have some elements of that. We do not believe it is sufficiently broad or deep, but there are pockets. The Department, as a whole, is undertaking a strategic effort under Secretary Chertoff to look at radicalizations, and then, of course, to begin to design initiatives that could counter this. We are working very closely with our partners throughout the U.S. intelligence community, particularly the Department of Justice and the Federal Bureau of Investigation, and more importantly, I think we are also reaching out and talking to our officials at the very local level, as you have emphasized is so important.

We have a small radicalization working group of my office that works with Stewart Baker, assistant secretary for policy, who has helped spearhead an overall effort. We hope to move forward with not only just looking at it and listing and prioritizing initiatives, but to develop an end-to-end strategy, and that is in the Secretary's interest.

Already at the intelligence level we have produced some papers, looking regionally at your State of California, we are looking at the northeast. We have a small team looking down the southwest today. We have to talk with the local level, not just at the Federal level with their Federal partners. We obviously look at inbound intelligence from overseas that may give clues to things that are occurring in our society, but fundamentally, we are really working from the bottoms-up and it does involve the States, State prison officials, local law enforcement officers, public officials at the local level across a broad spectrum. I am very pleased that the Secretary is moving ahead with this radicalization strategy.

Ms. HARMAN. I thank you for that answer and would note that one of the cells that we have successfully wrapped up in America is one that was in Torrance, California, in my district, and it was astute police work at the local level that discovered something was wrong, and then the Torrance P.D. collaborated with the FBI and found a much larger plot that was going to attack military recruiting centers, Jewish synagogues and so forth, in Los Angeles.

I am obviously applauding you for the work that you did and noting that there may be many more home-grown cells out there of all stripes we need to learn about.

My final question in my minute and 14 seconds left is about the problem of overclassification, another issue that this committee will look at. As you know, if things go out to State and locals with stamps of top secret, secret or confidential, that may prevent someone who needs the information from looking at it. Of course we are for classification for protecting sensitive sources and methods, but too often, classification can be used as a means to keep embarrassing information from becoming public or to protect someone's turf, and I would just invite, in a half minute, your observations on this topic and whether you think it is something that we and you should be addressing.

Mr. ALLEN. I think, Madam Chairman, that we should continue to vigorously address this, and we look to the Congress to continue to prod the Federal Government in this direction. I think we have a new Director of National Intelligence, Mike McConnell, a friend of mine. He is, obviously in my discussions with him prior to confirmation, said this would be his watch word is to ensure we actually do share.

That is the reason I quoted him in my opening comments. There is a lot of opportunity for us to get sensitive information down at the official use level. If there is a threat out there, it is going to get down to the local level, it is going to be shared, and it is going to be shared in order for first responders to be able to protect themselves, protect their citizens.

And regardless of the sensitivity of the information, we have ways and means to get it to the customer, get it released and help protect the country. We can't hide behind classification the way we have in the past.

Ms. HARMAN. Thank you very much. It is now my pleasure to turn to my colleague, my partner, the ranking member, Mr. Reichert, for 5 minutes of questions.

Mr. REICHERT. Thank you, Madam Chair. I have a follow-up question somewhat related to the overclassification issue, and that is the clearances, the classified clearances for law enforcement. It has been one of the things that I have heard, you know, as we got an opportunity to share, Mr. Allen, just a few days ago about our careers just a little bit, my 33-year career in law enforcement span from patrol car to the sheriff's office, and one of the complaints I hear now from the sheriffs and the police chiefs still is that there is a backlog in clearing people to have access to information. Could you respond to that question?

Mr. ALLEN. Thank you, Congressman. Yes. There may be a backlog, but it is small and it is going to grow a lot less. My office has inherited the DHS State and local clearance program. I have taken it over. We have—right now we have cleared more than 1,000 people at the State and local level. We have 931 clearances active at this moment. I have a staff that is small but vigorous that will work with you and work with any police department or fusion center that feels it needs clearances.

The only issue where it may require a little more time is if the request is for officers coming to work at DHS and to get SCI clear-

ances, special compartment information clearances. It takes a little longer. But getting the clearances at State and local level should be a very expedited process and I have taken this on because there was a problem, as Chairman Thompson as said. We can't, you know, hide behind dirty linen. At one time, I don't think we were as vigorous and active. Today we are and I work closely with the Director of Security to make sure this happens.

Mr. REICHERT. Does that also include the elected officials in the city government?

Mr. ALLEN. Yes, it does. It includes homeland security advisors. It includes, obviously, officials that require close clearances in order to serve the governor or to serve in sensitive capacities at the State level. Homeland security advisors, all of them have top secret clearances, and if required, you know, we will look at their need for a special compartment information.

Mr. REICHERT. The second topic I would like to touch on is the fusion center, and we are fortunate enough, I have learned recently, to have someone assigned from homeland security to Seattle starting up a fusion center. How much support do you need to provide fusion centers in fiscal year 2008?

Mr. ALLEN. We will need—as you know, when I came in a year ago, as Chairman Thompson said, it wasn't 18 months ago, I think it was 16 months ago, we had no one out there, and we had no dollars allocated for putting people in State and local fusion center, allocating resources to support them with secure communications. We have a broad program underway, State and local program office, which we are still establishing but at the same time we are pushing people out, finding qualified officers, finding the right qualified officers with the right experience, and analytic expertise is hard but we are doing it. The moneys that we have put forward in our fiscal year 2008 program will cover what we can do for fiscal year 2008, and at the end of fiscal year 2008, we will have officers in over 35 fusion centers throughout this country.

Mr. REICHERT. Again, along the lines of the fusion center discussion, can you explain how the fusion center interacts with the JTTFs and the JAGS, and also in Seattle, we are pilot program for links and how the fusion center interacts with those MTs?

Mr. ALLEN. Yes. The fusion centers, in some cases, are collocated with the joint terrorism task forces, and there is, of course, sharing of information, even though the JTTF is slightly compartmented, because it is always at the special compartmented information level.

But there is a steady flow of information. Where they are not collocated, there is open dialogue and interactive work between our officers and those of the FBI that runs and directs the JTTFs. That is one of the requirements. We train our officers that this is an information sharing environment and they must work professionally side-by-side with the FBI. There can be nothing that divides, there can be no window of separation.

As far as the links system, it is using ICE information, Immigration and Customs Enforcement data out in Seattle. According to the Deputy Director of ICE that that system is working well. We are now looking, as you know, to develop a pilot project with the Los Angeles Joint Regional Intelligence Center to further develop

our understanding on how to use the links system in order to pull in the law enforcement data from say in Los Angeles case, 37 police offices, I think that will be a great step forward.

Mr. REICHERT. Thank you for your answer. I yield.

Ms. HARMAN. Thank you. And I would note that some time in the future, the committee will hope to visit the fusion centers, both in Seattle and in Los Angeles. And perhaps in other locations like Denver. And meanwhile we will make a tour of some of the things in the Washington area. This will be a focus of our subcommittee.

Let me note before turning to the next member for 5 minutes that the freshman class comes in all shapes and sizes. Some are veterans, some are even intelligence officers. And so it gives me a real pleasure to have, as a member of our subcommittee an intelligence officer and I hope he will put his experience on the record. The Chair now recognizes Mr. Carney of Pennsylvania for 5 minutes.

Mr. CARNEY. Thank you, Madam Chair, for the kind comments, and as a little bit younger version intelligence officer, I want to thank you, Mr. Allen, for the model that you have provided for the entire community for your tireless work. And you are somebody we certainly respect and look up to. And I am thrilled that you have come out of retirement to give your talents to the Nation yet again. I certainly appreciate that.

I have just a couple questions to start off, at least. Mr. Allen, we understand the Department is planning a pay-for-performance pilot program within the Office of INA. What will this pilot program entail? And in your view, how appropriate is it for a pay-for-performance model within INA?

Mr. ALLEN. They have a system that is being introduced which is called MAX HR, which is a new way of evaluating their employees because, I think—and I have seen this be introduced obviously out—it was introduced at the Central Intelligence Agency at one point.

The whole idea is to be able to get performance bonuses or incentives based on the quality of your work. I am not an expert on MAX HR, and I would like to get back to you as a question for the record, if I may.

Mr. CARNEY. Sure. Thank you. I also understand the Department is deploying the Homeland Security Data Network.

Mr. ALLEN. Mm-hmm.

Mr. CARNEY. Diffusion centers, in order to share the classified information with State and local governments. The IG last year found big problems with a similar network, the HSIN and found the few State and locals actually use it. What are you doing to ensure the HSDN does not go the same way as HSIN?

Mr. ALLEN. Well, I have a lot of confidence in the Homeland Security Data Network. I brought in a senior CIA officer to help build my information management system, Dr. Carter Morris, who sits behind me.

And we are now—this is a robust system that where we can now, with the supernet—you are very familiar, sir, I know, with supernet has that kind of robust quality. So we can flow information at a classified level down to the fusion centers, or to the local police departments that has the terminal.

We are putting terminals wherever we have officers. And not only are we making the terminals available to our officers, but we are also going to provide these terminals with passwords to local officials.

So long as they have a secret clearance, and they have a need to operate for that fusion center's purposes, they will have that access. We are working with the Department of Defense to ensure that we could actually get an aperture from the real supernet into HSDN to further broaden the access of State and local government to a broader set of counterterrorism information.

We also informed the homeland security work intel portal, which really is able to share the information we produce at the official use level and we are sending that all across the country, everywhere HSIN exists. I agree with you, HSIN was not a good system. It has been improved and we are using the very best features of it at the official use level and our Homeland Security Data Network, the secret level one, I have confidence it is going to work very well.

Mr. CARNEY. Thank you. Just one final question. What percentage of the workforce do you have consists of full-time equivalents, FTEs versus contractors? To what extent is your office looking to replace contractors with FTEs? And what are your long-term plans in that regard?

Mr. ALLEN. On that, Congressman. I will be very candid, we have more contractors than we have government employees. As a startup organization, I think that is inevitable to find the right experienced people with the right backgrounds and clearances so that we can—we draw very heavily on our contractor force. It is about a 60—40 breakout right now. I will not be comfortable until that ratio is reversed. We have positions that we have advertised, recruiting and competing within the intelligence community is very hard. We lose officers to other agencies, to the CIA, to the FBI, to NGA.

That is the reason it is very vital that I get full support for good facilities for our officers. I have talked very personally with Paul Schneider, our new under secretary for management, and we are gradually building out our building 19. We hope you will come visit, which we can then house all of our officers. I have had over a hundred officers that did not have desks, as you probably know.

Mr. CARNEY. Thank you. I yield my time.

Ms. HARMAN. The Chair now recognizes for 5 minutes the gentleman from Pennsylvania, Mr. Dent. I guess not. The Chair recognizes Mr. Shays of Connecticut.

Mr. SHAYS. Thank you, ma'am. Thank you very much for being here, Mr. Allen, and I would like to ask you what you think the new strategy of our government to defend against our enemies is. In the Cold War, it was contain, react and mutually assure destruction. What do you believe our strategy is today?

Mr. ALLEN. Well, I think it is a great question, Congressman, and I know you are very familiar with the Cold War, and I worked the Cold War and know it very well. Today we have—

Mr. SHAYS. I was a young kid when the Cold War started, sir.

Mr. ALLEN. I was too, actually. Because we knew where the Warsaw Pact was, we knew when a battalion of BMPs moved, we knew when they went.

Mr. SHAYS. What is today's strategy?

Mr. ALLEN. Today's strategy is without borders. Today's strategy is to prevent and disrupt prior to attack. The attack, I think—and as Chairwoman Harman indicated in the opening statements, radicalization has not grown across this country, thank God, and we have to have good narratives to combat that. I think that is very important. The real threat is inbound, as we saw last August. And that was a very close thing.

Mr. SHAYS. Let me get to my next question. Jane Harman and I and others, but particularly, Jane Harman was a strong proponent of the Department of Homeland Security. We knew that it would be a large new department that would have to—that we would have to spend a number of years to try to perfect. The intelligence part of that was a newer part. In other words, in my judgment, we weren't taking from other departments. We were creating a new part within the Department of Homeland Security, whereas other elements, we took FEMA in, we brought Coast Guard in, and so on. There was the terrorism index, survey of America's top experts on the state of terrorism in the U.S., and the U.S. national security done by the Center For American Progress.

The experts said we are less safe, and I feel that we are safer. I feel we just don't feel safer because the world had a false sense of security earlier, previous. What is your sense? Did you feel you were less safe or more safe?

Mr. ALLEN. Congressman, I believe we are safer because I believe the kind of hardening of our borders air, land, and sea, the kind of screening that occurs of containers overseas, the kind of active aggressiveness by the U.S. against al-Qa'ida central leadership has been very effective, but I believe internally the extraordinary measures that are being taken at the Federal, State and local levels is having a real effect. And I believe we are doing this while balancing the need for security with civil liberties.

Mr. SHAYS. Let me ask you this, in getting your part of homeland security in the condition you want, are you 50 percent of the way there—60 percent of the way there, 20 percent of the way there? Where are you at?

Mr. ALLEN. I think we are 50 percent of where I hope to be. We have got to grow another 50 percent in the next 2 years, by the end of this administration, we must be vigorous robust DHS intelligence enterprise.

Mr. SHAYS. I understand. So you are 50 percent of the way there. And that is helpful to know. I like the fact you have a reach here. I would describe our going back—if I was to answer my first question not too different from yours, I would say it is detect, prevent and then preempt.

In other words, your job is to make sure we don't react but that we actually are able to do what the Brits did, and I understand the Brits did it with our help as well. Last year I was in with my staff in Great Britain, we met with the Scotland Yard and we also met with Tony Blair's assistants on terrorists.

And it was very interesting because I asked Scotland Yard, did homeland security have anything to do in the United States with uncovering this? And they said no. And yet Department of Homeland Security said yes. When I got to Tony Blair's office and asked the same question, they said yes. And it was a great answer for me because what it said was, Scotland Yard didn't need to know the interaction that was taking place for with the United States, but the people who did need to know knew. And frankly, it restored some—I mean, it helped restore some confidence, in my sense, that we are making progress.

Mr. ALLEN. Congressman, may I respond? We were involved in that from the outset. We watched the threat evolve, and it was a very disturbing time in July of 2006, when we saw the threat and how it was directed inbound, directly against the United States, above all. And the British showed DHS great confidence in sharing and without going into details, I and my officers on a very—with only a small number of people had access to this incredibly sensitive information, we worked collaboratively within the intelligence community and with our British colleagues.

Mr. SHAYS. Congratulations. Thank you, Madam Chairwoman.

Ms. HARMAN. Thank you. I would just observe, as I did earlier, that it is rare that the intelligence community can celebrate openly a great success. That was a great success. Finding out about that plot and preventing it before it happened. It would have caused massive, massive harm. I would also observe to my friend, Mr. Shays, who was right that he and I were among a small hearty lot of godfathers and godmothers to the Department that while we can get the organization right of the Department, we will never have 100 percent security that we will prevent every attack.

It can work as well as possible, but there may be things that slip by. What we can do is to try to minimize the risk and I do think as I said earlier that the INA function at DHS is finally getting traction and doing a much better job to perform a new function that we all felt was necessary.

Mr. SHAYS. Mr. Dent is here and we do not look alike.

Ms. HARMAN. That is true, Mr. Shays. But you were blocking my view. That is why I didn't know that Mr. Dent had had temporarily disappeared. The Chair will now yield to another new member of this committee, new member of the Congress for 5 minutes of questions, Mr. Perlmutter, the gentleman from Colorado.

Mr. PERLMUTTER. Thanks, Madam Chair. And Mr. Allen, I just have a couple questions. Mr. Shays really began down this path, and since I am new to the Congress and certainly new to this committee, were there any of the original agencies that were placed into homeland security that now are part of your department, your division?

Mr. ALLEN. Congressman, the intelligence arms of the operating components were not part of the original absorption as part of the Office of Intelligence and Analysis, but they are, through Secretary Chertoff's directive, responsive to my oversight, my guidance, my policy direction and my evaluation, and whether it is in custom and border protection or Immigration and Customs enforcement or Transportation Security Administration, I oversee the work of the intelligence arms of those agencies. We have a long way to go be-

cause they are not—they did not have inoperable databases because they were very separate agencies.

So we have a major information sharing and management problem within our own department. The Secretary, however, has just signed out a very important memo, which you all need to know about, which directs that there be full information sharing and it makes me the executive agent for ensuring that within the Department. That is a huge step forward by the Secretary.

Mr. PERLMUTTER. Thank you. In developing your department, your division of the Department of Homeland Security, you mentioned it a little bit in one of your answers to the Chairman's questions. You were talking about recruiting and maintaining and developing your staff. Can you go into a little more detail? Because I think in either a report or some comments that we may have had from some of the other officers and secretaries of the Department, there has been a real—you have had real difficulty holding on to staff that you are developing and training and it is as if they come to you for training and then move on to a different agency. Can you tell us what things you are doing to maintain individuals in the Department?

Mr. ALLEN. That is an excellent question. As you know, we are out recruiting across the universities, and some of the real problems, of course, is a very bureaucratic process for recruiting, and bringing them onboard, but I now have direct higher authority for certain categories of positions which we can offer, make a conditional offer on the spot. I am working with the Director of Security to expedite clearances because we lose a lot of people to whom we have given conditional offers of employment, except they will not wait a year and 18 and 24 months.

I discussed this with the new DNI, Mike McConnell. He is on my side. He wants to assure that we find ways to break down the barriers of security clearances. Retaining is a very hard job because we do not have the facilities that other agencies can bring to bear. But we are working at it. We have bonus—we have bonus incentives to hire people and bonuses if people are offered jobs by another department. Under certain rules we can match that job offer and ask our officers to stay with us because we are mentoring and developing officers only to see some of them leave.

Mr. PERLMUTTER. It is kind of, like, you have a graduate program. Once they have undergone training with you, they move on to other places, and I know that as you get a new home, you know, there is a new office building or whatever, you know, you may have better chances.

Last question, and this comes from some questions Mr. Reichert was asking, and I know it is kind of awkward. We are here on a budget meeting with you, but we really can't talk about the budget or the actual numbers. But my question to you is, in developing these fusion centers, it is my understanding that you are using grants to local governments to get them trained and established, but my concern is that ultimately those grants run out.

And when they run out, the States aren't in a position and the local governments aren't in a position to replace the money that the Federal Government has granted to them, and then I am worried

these fusion centers are going to somehow deteriorate or disintegrate. Can you respond to that?

Mr. ALLEN. I think you have—Congressman, I think you have put your finger on a very sensitive strategic issue. Right now, there is a great deal of enthusiasm. The centers are still forming, still being shaped, building professionalism within those fusion centers. Right now we can train, help them hire people, analysts, help train those analysts, help equip those centers. Even contractors under the rules we can bring in and even train contractor personnel that the fusion centers may have hired. But to sustain this over the long term, particularly if there are no immediate attacks upon the United States, and God knows we want another 5 years, 6 years or 7 years without any attacks, sustaining this is going to require I think a substantial support from the Congress through the grant system.

Mr. PERLMUTTER. Thank you. Thank you, Madam Chair.

Ms. HARMAN. I thank the gentleman for raising this issue, and as I think you know, following our classified briefing on this 2008 budget, those of us who were there are committed to seeing what we can do to augment funding for these fusion centers. We think that they are a very promising development. I would now yield 5 minutes to the real Mr. Dent of Pennsylvania.

Mr. DENT. Thank you. Chris was very flattered. Thank you, Madam Chairman. I just had to get that in there, but Mr. Allen, the National Operation Center, as you know, manages the Homeland Security Information Network, I guess the acronym is HSIN. But your Office of INA is a primary user of this system. Do you feel that this system, this HSIN system is a success? And how would you measure that success?

Mr. ALLEN. Congressman, I actually do not own or manage the HSIN program. The Homeland Security Information Network is owned and managed by Vice Admiral Roger Rufe, who is head of the operations directorate. We do share a portal for information that we can share in State and local levels at the official use level.

The HSIN system requires a significant degree of hard look and evaluation. Our Inspector General's report, of which I think you are referring, was an excellent report. It showed the flaws and the weaknesses of that system. We are certainly going to use it fully for our intelligence sharing throughout—anywhere HSIN can be received, they can also receive—if certified, to receive information of that level the intelligence aspects of that. But I do not manage the program. It is managed by Vice Admiral Rufe.

Mr. DENT. And if you have any further comments on the best ways to disseminate information from the Fed down to the States, and the States back up to the Fed, I hear quite a bit from my folks back home about this issue of the product that they receive coming from the DH sock, wherever it is coming from in Washington. A lot of concern about that information and their ability to manage it and sift through it. I am just curious to hear your thoughts on this vertical sharing of information and intelligence.

Mr. ALLEN. Congressman Dent, I think you have your finger on a problem because what I found when I came to homeland security 16 months ago, it was—that was exactly the problem. There was a lack of content management, trying to determine what should

flow both ways. We are still in the early stages of ensuring that the information, for example, that flows through this system back to the Federal level has some disciplining content to it. That is the reason I am embedding officers at the State level.

But at the national level, it tends to be polyglot type information, and I believe this is going to be a significant challenge in the next couple of years to get the Homeland Security Information Network working properly. I am very convinced, as I said earlier, that the Homeland Security Data Network, which is a classified network, will work, but we still have a good ways to go, and there are a number of other information sharing numbers as systems, as you are aware, for law enforcement purposes that also are part of the mix, and I think there has to be continuing serious—this issue has to be addressed and has to be resolved.

Mr. DENT. Well, thank you very much for that very complete answer. And I also do want to thank you for your outstanding service to our country. Appreciate it very much. And I yield back.

Ms. HARMAN. I thank the gentleman for yielding. I have been hoping that the chairman of the full committee would return. He is not here, but Mr. Allen, if you have some additional time, I think members are interested in a second round of questions. Are we all prepared to stay a bit here?

Mr. ALLEN. Madam Chairwoman, I am here at your disposal.

Ms. HARMAN. Let me suggest that we continue this hearing until 5:00 p.m.. Will that work for you, Mr. Allen? I will yield out of order to Chairman Thompson if he comes back, and I have two brief questions. The first is about fusion centers, as I mentioned. They will be a priority for this committee, as they are a priority for you. Some early alarm bells have been raised by the civil liberties community about what the function of these centers is. And I did note, Mr. Allen, in your summary of your remarks, you said that all the programs of your agency will be carried out consistent with the civil liberties of Americans.

I just would invite you to put on the record any thoughts about why these fusion centers will respect the civil liberties of Americans.

Mr. ALLEN. Thank you. Thank you for the question. We have to balance security with the civil liberties, and we cannot abridge those civil liberties. It is vital that as we—as you know, the State and local fusion centers operate generally under Federal guidelines, developed by the Department of Justice with the support of the Department of Homeland Security.

What we do with our officers as they move down to the State level, we give them very explicit training on what type of information may or may not be collected or disseminated say back to the Federal level. There are certain—we have to have reasonable belief that the information is of a security interest and potentially could pose harm to the interest of the United States in order to retain information on U.S. persons.

We do this under executive order 12333, which is overseen by the Director of National Intelligence. We operated under these guidelines in a very rigorous, and if there is any question the information is not to be retained but to be purged. I believe that this is an issue that always needs to be looked at, and everyone needs to

be vigilant, but these State fusion centers are all threats, all hazards, they don't always—they deal with all threats to our homeland whether it is secure borders, CBRN, chemical, biological, nuclear, radiological, whether it is radicalization.

What I have seen and I have visited fusion centers, talked to the State officials and they understand clearly the civil liberties aspects of this. I think as you have the opportunity to take members of the subcommittee out and visit fusion centers, they will come away with the same strong feeling that civil liberties is very much foremost in the minds of people running and administering the State and local fusion centers. I have no doubt about the officers that I send that they understand the rules under which they operate.

Ms. HARMAN. Well, I appreciate that answer.

Ms. HARMAN. I appreciate that answer, and it will be something this subcommittee continues to focus on.

I would note that H.R. 1, which passed this House very early last month, includes provisions to strengthen the Privacy and Civil Liberties Board that was part of the Intelligence Reform Act of 2004. It would make all of the members of that board subject to confirmation. It would increase the funding for the operation and give it subpoena power. And something similar to that is being considered by the Senate this week, so I would guess that we will have a new watchdog board that will help reassure the public that we are all focused on civil liberties as we focus on serious threats at home and try to prevent and disrupt them.

I think that I will stop there and now yield for a second round, 5 minutes to Mr. Reichert.

Mr. REICHERT. Thank you, Madame Chair.

Just a quick question and then a little bit longer one.

You mentioned in your testimony that you are working to gain greater flexibility in moving intelligence resources and personnel between programs. I am just wondering if you need additional budget authority to continue that process. Or are you actually maybe doing it to realize some cost savings?

Mr. ALLEN. I think that is one of the stresses that has been put on my office and my position as Chief Intelligence Officer is the fact that many of these initiatives, Congressman, are new. A year ago, if I were sitting here, I could not say we are going to State and local governments, that we have an intelligence campaign against the borders, that we have a whole new effort set up to look at radicalization. We had none of that.

So we have moved officers among a variety of initiatives, and some of our people are doing essentially double time, trying to also ensure that we set common training standards and that the operating component intelligence arms move with the same pace and priorities that I do in my immediate office.

I think all of that is going to take continued, sustained support from you, because integration of the operating component intelligence arms is not easy. Having served as the Assistant Director of Central Intelligence on integrating the Intelligence Community's collection arms, that was a struggle. I fault that for 5 or 6 years, and we made a lot of progress, but there is still a long ways to go, as the new DNI knows. We have to work very hard over the next

5 years to integrate the Department, and we are going to need really sustained support from you to accomplish that goal.

Mr. REICHERT. I want to just comment that there has been a lot of progress made after September 11th and during an 8-year period there. I was the sheriff in Seattle, and was approached by the U.S. Attorney's Office to join a new program called Links; and you know, we in the local law enforcement arena are somewhat skeptical when the Federal Government comes to us and says, "We are from the Federal Government, and we are here to help," but we did eventually join that effort. But initially, the FBI was not a part of it and did not want to be attached to it.

Naval intelligence, actually with the U.S. Attorney's Office, took the lead, and Links has progressed and proceeded forward and has now, I think, shown itself to be very valuable to local law enforcement in their ability to share information with the Federal agencies.

You expressed early in your testimony that you had difficulty even with them, the Department of Homeland Security, gathering intelligence data from the departments under your purview.

How are you received now by local law enforcement as you come out to the fusion centers? Are you able to bring those people together, and do you feel like there is some trust that is being gained? And have you also been able to gain some trust with the FBI and the CIA and others who have intelligence-gathering responsibilities outside of the Department of Homeland Security?

Mr. ALLEN. I think, Congressman, we have made a lot of progress. I think a year ago our efforts would have been viewed with significant skepticism because we had not deployed officers, we had not deployed systems, we had not done the security clearances that were required.

I think when I go—and today, I am not sure we will meet the needs of every State and local fusion center, and I think there will be continued complaints at some levels, but I think, overall, we have met with the chiefs of police of major cities. We have listened to them; the Secretary, in particular, has listened to them. We have set up a number of initiatives to improve our relationships with the chiefs of police of major cities.

Do we need to go further? Yes, absolutely. At the CIA, they have strong confidence because I come from that environment. I know it very well, so I have no worries over the CIA. With the FBI, I think, early on, as we began these new initiatives with the Federal Bureau of Investigation, there was some concern about where we are going and would we get into their lanes. Deputy Director Pistol and I testified before the Senate Subcommittee on Intelligence the other day, and it was a very successful hearing because we work in partnership and because we have people like Deputy Director Pistol and leaders like the head of the National Security branch, Willie Hulon. We get through any bumps in the road with the FBI.

I think the proof of the pudding is in the eating. I think we still have to demonstrate a lot, that we have to do a lot more before we get the full confidence of the State and local officials. We are working at it every day. I do not look for miracles, but I do hope they are beginning to feel that we speak sincerely in our efforts to help

them and support them and to get out threat warning/threat assessment quickly when we see it coming.

Mr. REICHERT. I thank you, and I am glad that you are leading this effort forward.

Ms. HARMAN. I thank the gentleman.

Mr. Allen, I would just note on that point that your action that you have announced today to embed State and local officials in the NCTC process will go a long way to building that trust relationship and building products that are easiest for them to use. After all, it is critical that the intelligence be accurate, but also that it be actionable and timely, as you well know; and I think having more efforts to develop the products jointly will assure that that is the case.

I apologize to you. I have been reminded that I have a critical meeting in the Capitol at 5 o'clock, but we will keep this hearing going until all members have had a chance to ask a second round of questions, and I think this may be the first time that Mr. Perlmutter has chaired a hearing.

So I would welcome him to the chair, and I would right now yield 5 minutes to Mr. Carney of Pennsylvania.

Mr. CARNEY. Thank you, Madame Chair.

Just one more question, Mr. Allen.

You testified recently that you are in the process of creating a Homeland WMD intelligence strategy, and I know the FBI has something very similar within the Counterterrorism Division.

How does Homeland Security's new strategy differ from and complement what the FBI already has in place both at the Federal level and, of course, the regional level?

Mr. ALLEN. I think that is a very good question because the FBI has stood up an almost, I think, 100-person directorate that is focused on weapons of mass destruction and trying to ensure that as it looks to threats of this country, particularly inbound or internal, that it looks at it particularly from an investigative intelligence perspective.

And that, in my view, is good; and the new strategy that I am developing is very complementary to this because the Secretary is charged with preventing a bio and nuclear terrorist attack upon the United States and, of course, to help direct the recovery if such a horrible attack ever occurred here in our homeland.

What we are trying to do is to look both inbound at the very basic levels because a lot of our work is in support of the Domestic Nuclear Detection Office, which we support on a daily basis. We are the intelligence arm to support the DNDO under Vayl Oxford. There is also the national bioterrorism system, NBS, which deals with bioterrorism under our chief medical officer.

So what we are trying to do is to complement a broader and a deeper, more bottoms-up effort to what the FBI is doing with a more intelligence investigative purpose. We have met with the FBI. We have worked out the rules. The rules sat in the lanes in the road on this, and the FBI, I am very confident, is comfortable with this. I know Mr. Pistol is comfortable with it, and I am comfortable with it.

Mr. CARNEY. Is there an MOA to that effect or is this just a gentlemen's agreement?

Mr. ALLEN. We do not have an MOA. I have no problems with developing one. I have a senior scientist advisor to me directly driving this program, Dr. Maureen McCarthy. That is a good question. I will ask her.

Mr. CARNEY. Very good. Thank you, sir.

Mr. PERLMUTTER. [Presiding.] I thank you.

Mr. Shays, if you have another round of questioning, go ahead.

Mr. SHAYS. Thanks.

Tell me your biggest challenge.

Mr. ALLEN. I think, fundamentally, my biggest challenge is to ensure that we integrate the Department's intelligence arms, that we all flow together at the same pace with the same priorities and the same goals, that this is aligned carefully with the national Intelligence Community because it represents the priorities of the President and the National Security Council.

I do not think that we—I have made as much progress in integrating intelligence across the Department as I should have. We have made great progress in beginning our information-sharing efforts. We have made great progress in building good analytic product and developing and co-mentoring our officers so that they can write for the President's daily brief or for the national Intelligence Bulletin. We were not doing that until I arrived a little over a year ago.

But I think the greatest challenge right now is making sure we flow as a department. I think the information sharing memo just signed by Secretary Chertoff will help in very measurable ways to help me further integrate the Department's intelligence actions.

Mr. SHAYS. Thank you for that answer.

You mentioned that one of your challenges is bringing online qualified folks who can get their security taken care of.

Can you quantify the number of people that right now you are waiting to have—

Mr. ALLEN. Yes. We have made conditional offers to 60 or so people. Many of them have to go through, first, the process of being found acceptable by the Office of Personnel Management, and then of course there are always the long-term security clearances, both—

Mr. SHAYS. And you may have said this, but I apologize if I did not pick it up. How long a wait has that been?

Mr. ALLEN. It varies.

Mr. SHAYS. What would the average be?

Mr. ALLEN. Well, I think it takes—

Mr. SHAYS. I want to know why it is taking you—let me just say I have some experience in this. I chair the National Security Subcommittee. We have probably had five hearings on this issue. I consider it a huge problem, and I would like to think that one of the things that would come out of this hearing is some way we can put our heads together and move this forward.

I think it is outrageous that you have such an important department, and we are having this delay.

Mr. ALLEN. Well, I think it is a real problem. I think the whole security clearance process is painstaking for SCI. For new people out of universities, they may have done things like I did in college—and perhaps you did, too, sir—but the adjudication process is slow and painful.

Mr. SHAYS. I tried to get into the CIA, and I did not qualify, and I will leave it at that.

Mr. ALLEN. Okay. The director of security has made commitments so that suitability reviews and adjudication reviews will be accelerated. I was dissatisfied in my first year as Chief Intelligence Officer. Hopefully, in the second year, things will be expedited. Vice Admiral, Retired, Mike McConnell has asked me to join him and find ways to ensure we break through some of those barriers as well.

Mr. SHAYS. Well, I would like to suggest that you work with this committee a bit on this issue. I mean, we learn a lot from your contribution, but I think we can be a bit helpful, and I just think it is a problem throughout the government, and we need to sort it out because we are losing good people.

So, obviously, I do not need to go forward. Thank you very, very much.

Did you have any other comment you want to make?

Mr. ALLEN. I just want to say that I want great diversity. Chairman Thompson spoke about diversity. I want to be able to hire first and second generation Muslims. I want to have people who are Muslims, who understand Islam. I want Sunnis and Shi'as working in my office, and I am anxious to get on with this.

Mr. SHAYS. Well, I will just say that I had someone in my office applying to one of our agencies, and because her family is from Beirut, Lebanon, she was waiting 10 months to know if she had the possibility, and she could not make the clearance because of it, and yet, she spoke perfect Arabic, and she wanted dearly to do this work—dearly.

At any rate, thank you.

Mr. PERLMUTTER. Thank you, Mr. Shays.

I will yield 5 minutes to myself for just two questions.

Mr. Allen, thank you for the time that you have given us today. The first question goes to the series of questions the gentleman from Connecticut was just asking. Besides Arabic and Farsi, are you looking to try to develop agents or Department members with other languages besides those?

Mr. ALLEN. I think you have put your finger on the areas we want. We want Urdu and Dari speakers. We want mainly, you know, people with great analytic minds who can bring some area expertise.

If we are going to do analysis to help defend the homeland, we have to have officers who understand what is occurring in South Asia, what is occurring in the Levant, as Congressman Shays just indicated. So we not only, in addition to languages—Indonesian is going to be very important. There is a growing threat, as you know, in Southeast Asia. We have got to have both of these qualities. We have got to recruit people with language and country area expertise. Otherwise, we will have people who will not be able to understand the intelligence, the raw intelligence, they receive and how to integrate and assess and evaluate that intelligence.

Mr. PERLMUTTER. Thank you, and we appreciate your testimony. You have met with us formally and informally. I know, on behalf of Mr. Reichert and myself and the rest of the panel members who have been here today, we appreciate your testimony.

I know that, if we have additional questions, we will submit them to you and to the members of your staff, and we will seek some answers to those in writing, but with that, unless you have something else, this committee will stand adjourned, and thank you for allowing me to be at chair for a moment.

Mr. ALLEN. Thank you, Mr. Perlmutter.

[Whereupon, at 4:56 p.m., the subcommittee was adjourned.]

