

FINAL DRAFT

Testimony of FCC before the Senate Armed Services Committee

August 16, 2004

Mr. Chairman, Senator Levin, Members of the Committee:

It is a pleasure to appear before you today and I commend you for holding these hearings. Reorganizations are always disruptive and we must be certain the long-term gain outweighs the inevitable short-term loss.

We must also be certain the solution fits the problem. Just because 15 agencies carry an intelligence label doesn't mean they all should be integrated. Indeed managed competition is a healthy component of good intelligence.

Unity of command is essential for military operations. So is good intelligence, as the 9/11 report acknowledges. Leaving aside the reluctance of policy makers to act on warning, the failings of 9/11 appear to be principally in humint and analysis. Improving humint can be done without disrupting the Pentagon chain of command. 80% of the Intelligence budget is frequently cited as disproportional DoD control. These assets are mainly in the hardware area and hence very costly. The NRO, NSA and NGA are already subject to the DCI's budgeting and programming authority. I

question whether further DCI control is needed or desirable. The service humint operations are largely tactical and nobody proposes separating them. DIA's humint largely comes through the Attache System and is coordinated by Ambassadors at the local level. DIA's analytical effort can and should compete with that of CIA.

I fail to find in the 9/11 report a convincing case that the 9/11 problem stemmed from the failure of the Pentagon agencies to coordinate. On the contrary, the "dots" problem seems to be mainly between the CIA and the FBI on the one hand, and law enforcement and intelligence on the other, not with DoD. TTIC and the Patriot Act have gone a long way to solving some of these problems. The Counterterrorism Center, which would build on TTIC, is a good idea despite the dangers of putting intelligence and operational planning close to each other.

I believe the Counterterrorism Center should report to the DCI. I do not favor creating the post of NID, certainly not in the White House where it would be too close to both the political and the policy process. Its main value would be to serve as a coordinator of domestic and international intelligence. The dilemma is that if you give the NID budget and personnel authority over DoD, even if he or she is not in the White House, you jeopardize combat support and disrupt the military unity of command. You

also create a competitor to the National Security Advisor. On the other hand, if you don't give the NID budget and personnel authority, you add a useless layer and weaken the DCI in the process. A better approach would be to set up the Counterterrorism Center and strengthen the DCI's concurring authority over the CSA's where it may be inadequate. The main thing though is to make sure the DCI has clout over both the CIA and the FBI.

If one goal is to improve humint there are shortcomings more important than organizational structure. They are not dealt with in the 9/11 report. I learned as an FSO working with case officers in the field that the key to good humint is the ability to protect sources and methods, or better said the perception that we can protect sources and methods. In the intelligence business perception is as important as fact.

Unfortunately the widespread perception is that we can't protect our sources and methods. I can recall the head of a major European Intelligence Service telling me when I was DDCI that he withheld information from us because we "couldn't keep a secret."

Imagine you were an Iraqi under Saddam Hussein and a CIA case officer approached you. Knowing about extensive leaks, the constant pressure on the Agency (including by the 9/11 Commission) to reveal more

information, the use of FOIA to reveal CIA material and multiple Congressional oversight committees, would you want your name on the rolls? All the skilled Arabist's in the world won't be able to recruit in the highly secretive Middle East unless we commit to better protection of sources and methods.

The Commission did make some positive recommendations for a tiered classification system and streamlined Congressional oversight but their overall thrust was to abolish “need to know” and have a more open intelligence process – an oxymoron. It is good to disseminate information, but the dissemination process is useless unless there is reliable information to disseminate. One source compromised means many sources not recruited.

Good collection also requires risk taking. Much of our approach to intelligence since the Church Committee has been to discourage risk. Whether it is indicting professionals for carrying out policy or making it complicated to recruit human rights violators we have put a chill on entrepreneurial activity. There will be failures and we should determine why, but there are successes, largely unheralded, and we should not risk them by seizing on every failure to point fingers of blame.

A final word on resources. They are needed. It is clear we cut DoD, State and Intelligence too much in the 90's – over 30%. The capability we lost can be rebuilt but not as quickly as it was eliminated. Bearing in mind the time required to recruit, train and organize effective cover in tightly closed societies or terrorist groups I think George Tenent's estimate of five years is on the mark. I hope we don't prolong that period by making the wrong organizational moves.