



National Policy Coordination

Staff Statement No. 8

Members of the Commission, with your help, your staff has developed initial findings to present to the public on the coordination of national policy in dealing with the danger posed by Islamic extremist terrorism before the September 11 attacks on the United States. These findings may help frame some of the issues for this hearing and inform the development of your judgments and recommendations.

This report reflects the results of our work so far. We remain ready to revise our understanding of events as our work continues. This staff statement represents the collective effort of a number of members of our staff. Warren Bass, Michael Hurley, Alexis Albion, and Dan Marcus did much of the investigative work reflected in this statement.

The Executive Office of the President, the Central Intelligence Agency, and other government agencies have made the material available to us for the preparation of this statement.

The Structure of Policymaking

The National Security Act of 1947 created the National Security Council so that advice to the president from the State Department could mesh with advice from the military establishment. Since then, presidents have progressively redefined the Council's functions, broadened participation, and greatly elevated the status of its staff. Throughout, the NSC staff operated under the authority of the president with the duty to ensure that the president's policies are adequately developed, articulated, understood, and implemented purposefully by the government as a whole.

Counterterrorism issues had not been a high priority during the administration of George H.W. Bush. When the Clinton administration took office in 1993, terrorism issues were handled in a small directorate of the NSC staff for "International Programs," commonly referred to as "drugs and thugs." Terrorist attacks early in the new administration, particularly the 1993 attempt to blow up the World Trade Center, quickly changed this perspective.

The first World Trade Center attack also spotlighted the problem of how or whether the NSC could bridge the divide between foreign policy and traditionally domestic issues such as criminal justice. That attack, handled by the FBI as a matter for domestic law enforcement, had been

carried out by a mixture of American citizens, resident aliens, and foreign nationals with ties overseas.

President Clinton concluded that the National Security Act of 1947 allowed the NSC to consider issues of domestic security arising from a foreign threat. The President later issued a formal directive on counterterrorism policy. This was Presidential Decision Directive 39, signed in June 1995 after at least a year of interagency consultation and coordination. That directive characterized terrorism as a national security concern as well as a matter for law enforcement. It also articulated a “lead agency” approach to counterterrorism policy. It had four main program areas: reducing vulnerabilities, deterring terrorism, responding to terrorism, and preventing terrorists from acquiring weapons of mass destruction. In each area responsibilities were assigned to the departments and agencies of the government.

These efforts were to be coordinated by a subordinate NSC committee called the CSG. During the Clinton administration these initials stood for “Counterterrorism and Security Group.” This committee was chaired by an NSC staff member, Richard Clarke. The CSG was the place where domestic security agencies, such as the FBI, regularly met alongside representatives from the traditional national security agencies.

Since 1989 each administration has organized its top NSC advisory bodies in three layers. At the top is the National Security Council, the formal statutory body whose meetings are chaired by the president. Beneath it is the Principals Committee, with cabinet-level representatives from agencies. The Principals Committee is usually chaired by the national security adviser. Next is the Deputies Committee, where the deputy agency heads meet under the chairmanship of the deputy national security adviser. Lower-ranking officials meet in many other working groups or coordinating committees, reporting to the deputies and, through them, to the principals. The CSG was one of these committees.

This ordinary committee system is often adjusted in a crisis. Because of the sensitivity of the intelligence and the military options being considered, President Clinton created a “Small Group” in which a select set of principals would frequently meet without aides to discuss Khobar Towers or Usama Bin Ladin. The participants would usually be National Security Adviser Samuel Berger, DCI George Tenet, Secretary of State Madeleine Albright, Defense Secretary William Cohen, Joint Chiefs of Staff Chairman Hugh Shelton, Deputy National Security Adviser James Steinberg, White House Chief of Staff John Podesta, Richard Clarke, and Vice President Gore’s national security adviser, Leon Fuerth. Attorney General Janet Reno and FBI Director Louis Freeh would sometimes participate.

National Security Adviser Berger told us that he designed the Small Group process to keep the highly-sensitive information closely held. There were few paper records. One tradeoff in such a system was that other senior officials in agencies around the government sometimes had little knowledge about what was being decided in this group, other than what they could obtain from the principals or Clarke. This sometimes led to misunderstandings and friction.

Presidential Decision Directive 62 and the National Coordinator

In early 1998, the Clinton administration prepared a new presidential directive on counterterrorism. Its goals were to strengthen the “lead agency” approach in ten program areas, reemphasize the importance President Clinton attached to unconventional threats at home and abroad, and strengthen interagency coordination. The draft directive would strengthen Clarke’s role by creating the position of a national coordinator for counterterrorism who would be a full member of the Principals Committee or Deputies Committee for meetings on these topics.

The duties of the national coordinator were debated in the preparation of this directive. Prior episodes, including Iran-Contra in the 1980s, had underscored the problems of operations run by White House or NSC staff whose legal authorities are derived solely from the president and are therefore outside of the usual process of congressional confirmation, budgeting, or oversight. Responding to such concerns, the May 1998 directive, Presidential Decision Directive 62, provided that the coordinator would not direct operations, that the CSG would ordinarily report to the Deputies Committee, and that the new structure would not change the established budget process.

Nevertheless, as it evolved during the Clinton administration, the CSG effectively reported directly to principals, and with the principals often meeting only in the restricted Small Group. This process could be very effective in overseeing fast-developing but sensitive operations, moving issues quickly to the highest levels, and keeping secrets. However, since the Deputies and other subcabinet officials were not members of the CSG, this process created a challenge for integrating counterterrorism issues into the broader agenda of these agencies and the U.S. government.

Clarke was a controversial figure. A career civil servant, he drew wide praise as someone who called early and consistent attention to the seriousness of the terrorism danger. A skilled operator of the levers of government, he energetically worked the system to address vulnerabilities and combat terrorists. Some colleagues have described his working style as abrasive. Some officials told us that Clarke had sometimes misled them about presidential decisions or interfered in their chain of command. National Security Adviser Berger told us that several of his colleagues had wanted Clarke fired. But Berger’s net assessment was that Clarke fulfilled an important role in pushing the interagency process to fight Bin Ladin. As Berger put it, “I wanted a pile driver.”

Clarke often set the agenda and laid out the options, but he did not help run any of the executive departments of the government. Final decision-making responsibility resided with others.

Changing Strategy against Bin Ladin and His Network

President Clinton often discussed terrorism publicly as the dark side of globalization. He was particularly and vocally concerned about the danger of terrorists acquiring weapons of mass destruction, especially biological weapons. He tended to receive his intelligence in written briefings rather than personally from the DCI, and he frequently would pass back questions to follow up on items related to Bin Ladin or other terrorist threats. National Security Adviser

Berger and others told us that the East Africa embassy bombings of August 1998 were a watershed event in the level of attention given to the Bin Ladin threat. Before August 1998, several officials told us their attention on terrorism was focused more on Iranian-sponsored groups, such as Hizbollah.

After the August 1998 military strikes against Afghanistan and Sudan, Clarke turned his attention to a government-wide strategy for destroying the Bin Ladin threat. His proposed strategy was Political-Military Plan Delenda, circulated among CSG and Small Group participants in late August and September 1998. As mentioned yesterday, the term “Delenda” is from the Latin “to destroy,” evoking the famous Roman vow to erase rival Carthage. The plan’s goal was to immediately eliminate any significant threat to Americans from the “Usama Bin Ladin network,” to prevent further attacks, and prevent the group from acquiring weapons of mass destruction. The strategy sought to combine four main approaches:

- Diplomacy to eliminate the sanctuary in Afghanistan and bring terrorists to justice;
- Covert action to disrupt terrorist cells and prevent attacks. The highest priority was to target the enemy in Afghanistan;
- Financial measures, beginning with the just-adopted executive order to freeze the funds of Bin Ladin-related businesses; and
- Military action to attack targets as they were developed. This would be an ongoing campaign, not a series of responses or retaliations to particular provocations.

This strategy was not formally adopted, and Cabinet-level participants in the Small Group have little or no recollection of it, at least as a formal policy document. The principals decided against the rolling military campaign described in the plan. However, Clarke continued to use the other components of the Delenda plan to guide his efforts.

The momentum from the August 1998 attacks and the initial policy responses to it carried forward into 1999. We have described those responses in our other staff statements.

In June 1999, National Security Adviser Berger and Clarke summarized for President Clinton what had been accomplished against Bin Ladin. An active program to disrupt al Qaeda cells around the world was underway and recording some successes. The efforts to track Bin Ladin’s finances with help from Saudi Arabia and the United Arab Emirates had not yet been successful. The U.S. government was pressing Pakistan and the Emirates to cut off support for the Taliban. Covert action efforts in Afghanistan had not borne fruit. Proposals to intervene against the Taliban by helping the Northern Alliance had been deferred. The intelligence needed for missile attacks to kill Bin Ladin was too thin, and this situation was not likely to change.

Berger and Clarke said it was a “virtual certainty” that there would be more attacks on American facilities. They were also worried about Bin Ladin’s possible acquisition of weapons of mass destruction, a subject on which they had recently received some fragmentary but disturbing intelligence. The quality of that intelligence was unlikely to improve, his advisers reported.

Given this overall picture, they returned to the idea they had discussed in the fall of 1998, of a preemptive strike on terrorist camps such as the one reportedly involved in WMD work. Alternatively, they wrote, the government could retaliate after the next attack, but the camps might then be emptied. The Small Group met to consider some of these ideas on June 24, 1999. From some notes, it appears the Group discussed military strikes against al Qaeda infrastructure, but rejected this approach for reasons including the relatively slight impact of strikes balanced against the potentially counterproductive results.

The NSC staff kept looking for new options or ideas. Later in 1999, for example, the new leadership team at the CIA's Counterterrorist Center produced a plan for increased intelligence collection and relationships with other potential partners for clandestine or covert action against Bin Ladin. Berger and Clarke made sure that these efforts received both attention and authorizations to proceed.

The Millennium Alerts

As 1999 drew to a close, Jordanian intelligence discovered an al Qaeda-connected plot to attack tourists gathering in Jordan for Millennium events. Intelligence revealed links to suspected terrorists who might be in the United States. Meanwhile a Customs agent caught Ahmed Ressay, an Algerian jihadist, trying to cross with explosives from Canada into the United States.

Both staff and principals were seized with this threat. The CSG met constantly, frequently getting the assistance of principals to spur particular actions. These actions included pressuring Pakistan to turn over particular suspects and issuing an extraordinary number of domestic surveillance warrants for investigations in the United States. National Security Adviser Berger said that principals convened on a nearly daily basis in the White House Situation Room for almost a month. The principals communicated their own sense of urgency throughout their agencies.

By all accounts, the Millennium period was also a high point in the troubled relationship with the FBI. Before 9/11, the FBI did not ordinarily produce intelligence reports. Records of the FBI's intelligence work usually consisted of only the reports of interviews with witnesses or memoranda requesting the initiation or expansion of an investigation. The senior FBI headquarters official for counterterrorism, Dale Watson, was a member of the CSG, and Clarke had good personal relations with him and FBI agents handling al Qaeda-related investigations. But the NSC staff told us that the FBI rarely shared information about its domestic investigations. The Millennium alert period was an exception. After the Millennium surge subsided, National Security Adviser Berger and his deputy, James Steinberg, complained that, despite regular meetings with Attorney General Reno and FBI Director Freeh, the FBI withheld terrorism data on the grounds that it was inappropriate to share information related to pending investigations being presented to a grand jury.

In a January 2000 note to Berger, Clarke reported that the CSG drew two main conclusions from the Millennium crisis. First, it had concluded that U.S.-led disruption efforts "have not put too much of a dent" into Bin Ladin's network abroad. Second, it feared that "sleeper cells" or other

links to foreign terrorist groups had taken root in the United States. Berger then led a formal Millennium after-action review next steps, culminating in a meeting of the full Principals Committee on March 10.

The principals endorsed a four-part agenda to strengthen the U.S. government's counterterrorism efforts:

- Increase disruption efforts. This would require more resources for CIA operations, to assist friendly governments, and build a stronger capacity for direct action;
- Strengthen enforcement of laws restricting the activity of foreign terrorist organizations in the United States;
- Prevent foreign terrorists from entering the United States by strengthening immigration laws and the capacity of the Immigration and Naturalization Service; and
- Improve the security of the U.S.-Canadian border.

Some particular program ideas, like expanding the number of Joint Terrorism Task Forces across the United States, were adopted. Others, like a centralized translation unit for domestic intercepts, were not. In its January hearing, the Commission reviewed the progress of efforts on border and immigration issues.

Prodded to do more by President Clinton, the NSC staff pursued other initiatives in the spring of 2000. The NSC staff pushed for better technical intelligence collection, working closely with Assistant DCI for Collection Charles Allen and Vice Admiral Scott Fry of the Joint Staff. As we described earlier today, this effort spurred use of the Predator reconnaissance aircraft in Afghanistan later in 2000 and produced other innovative ideas. A draft presidential directive on terrorist fundraising apparently did not win approval.

Coordinating a Counterterrorism Budget

Overall U.S. government spending connected to counterterrorism grew rapidly during the late 1990s. Congress appropriated billions of additional dollars in supplemental appropriations for improvements like building more secure embassies, managing the consequences of a WMD attack, and protecting military forces.

Clarke and others remained frustrated, however, at the CIA's spending on counterterrorism. They complained that baseline spending at headquarters on Bin Ladin efforts or on operational efforts overseas remained nearly level. The CIA funded an expanded level of activity on a temporary basis with supplemental appropriations, but baseline spending requests, and thus core staffing, remained flat. The CIA told us that Clarke kept promising more budget support, but could never deliver.

The Clinton administration began proposing significant increases in the overall national intelligence budget in January 2000, for Fiscal Year 2001. Until that time, at least, CIA officials

have told us that their main effort had been to rebuild the Agency's operating capabilities after what they said had been years of cuts and retrenchment. They believed counterterrorism efforts were relatively well off compared with the needs elsewhere.

In 2000 the budget situation in CIA's counterterrorism effort became critical. The strain on resources from the alert period had nearly exhausted available funds for the current fiscal year. Among counterterrorism officials, frustration with funding levels was growing. In August 1999, the senior Defense Department participant in the CSG noted that it seemed to him the CIA was "underfunding critical programs" in the covert action budget for countering terrorism.

On top of these concerns, the Millennium after-action review recommended significantly more spending. National Security Adviser Berger and DCI Tenet, along with their respective staffs, discussed where the money could be found, on the order of \$50-100 million.

Working with senior officials in the White House Office of Management and Budget (OMB), Clarke had devised an innovative process to develop and analyze a counterterrorism budget picture across the government. Spending for the CIA, however, was handled under different procedures over which Clarke had less influence.

The White House initially preferred that the CIA find the money from within its existing funds. The CIA insisted that its other programs were vital too, and that the administration should seek another supplemental appropriation from Congress. The CIA's argument ultimately prevailed, and Congress adopted a supplemental appropriation.

On August 1, 2000, Clarke outlined for Berger a few key goals he hoped the administration could accomplish before it left office: to significantly erode al Qaeda's leadership and infrastructure; to gain the still-pending supplemental appropriations for the counterterrorism effort; and to advance the Predator program.

In August, Clarke urged that the CSG and the Principals Committee be ready for emergency meetings to decide whether to fire cruise missiles if Bin Ladin were spotted by the Predator. Berger noted to Clarke, though, that before considering any action he would need more than a verified location; he would also need data on a pattern of movements to provide some assurance that Bin Ladin would stay in place.

In September, Clarke wrote that the drones were providing "truly astonishing" imagery, including a "very high probability" of a Bin Ladin sighting. Clarke was also more upbeat about progress with disruptions of al Qaeda cells elsewhere. Berger wrote back praising Clarke's and the CSG's performance while observing that this was no time for complacency: "Unfortunately the light at the end of the tunnel is another tunnel."

The Attack on the *U.S.S. Cole*

The *U.S.S. Cole* was attacked on October 12 in Yemen. By November 11, Berger and Clarke reported to the President that, while the investigation was continuing, it was becoming increasingly clear that al Qaeda planned and directed the bombing. In an update two weeks later,

the President was informed that FBI and CIA investigations had not reached a formal conclusion, but Berger and Clarke expected the investigations would soon conclude that the attack had been carried out by a large cell headed by members of al Qaeda and that most of those involved were trained at Bin Ladin-operated camps in Afghanistan. So far, Bin Ladin had not been tied personally to the attacks, but there were reasons to suspect he was involved. In discussing possible responses, Berger stated that inherent in them was the “unproven assumption” that al Qaeda was responsible for the attack.

Berger told us he wanted a more definitive judgment from the DCI before using force. By December 21, the CIA’s “preliminary judgment” for principals was that, while al Qaeda appeared to have supported the attack, the CIA still had no definitive answer on the “crucial question” of outside direction of the attack. Clarke added to us that while both the State Department and the Pentagon had reservations about retaliation, the issue never came to a head because the FBI and the CIA had not provided a definitive conclusion about responsibility.

The *Cole* attack prompted renewed consideration of what could be done. Clarke told us that Berger upbraided DCI Tenet so sharply after the *Cole* attack—repeatedly demanding to know why the United States had to put up with such attacks—that it led Tenet to walk out of a Principals Committee meeting. As we mentioned in our staff statement yesterday, Berger obtained a fresh briefing on military options from General Shelton.

In December 2000, the CIA developed initiatives based on the assumption that policy and money were no longer constraints. The result was the “Blue Sky memo,” which we discussed earlier today. This was forwarded to the NSC staff.

As the Clinton administration drew to a close, the NSC counterterrorism staff developed another strategy paper, the first such comprehensive effort since the Delenda plan of 1998. The resulting paper, a “Strategy for Eliminating the Threat from the Jihadist Networks of al Qida: Status and Prospects,” reviewed the threat, the record to date, incorporated the CIA’s new ideas from the “Blue Sky” memo, and posed several near-term policy choices. The goal was to “roll back” al Qaeda over a period of three to five years, reducing it eventually to a “rump group” like other formerly feared but now largely defunct terrorist organizations of the 1980s. “Continued anti-al Qida operations at the current level will prevent some attacks,” Clarke and his staff wrote, “but will not seriously attrit their ability to plan and conduct attacks.”

The Bush Administration

The Bush administration decided to retain Clarke and his core counterterrorism staff. National Security Adviser Rice knew Clarke from prior government experience. She was aware he was controversial, but she and Hadley thought they needed an experienced crisis manager in place during the first part of the administration. Working with Clarke, Rice and her deputy, Stephen Hadley, concentrated Clarke’s responsibilities on terrorism issues, and planned to spin off some of his office’s responsibilities—for cybersecurity, international crime, and consequence management—to other parts of the NSC staff. Clarke in particular wished to elevate the attention being given to the cybersecurity problem. On May 8, President Bush asked Vice

President Cheney to chair an effort looking at preparations for managing a WMD attack and problems of national preparedness. It was just getting underway when the 9/11 attack occurred.

Rice and Hadley decided that Clarke's CSG should report to the Deputies Committee, chaired by Hadley, rather than bringing its issues directly to the principals. Clarke would still attend Principals Committee meetings on terrorism, but without the central role he had played in the Clinton-era Small Group. Hadley told us that subordinating the CSG to the Deputies would help resolve counterterrorism issues in a broader context. Clarke protested the change, arguing that it would slow decision-making. Clarke told us that he considered this move a demotion to being a staffer rather than being a de facto principal on terrorism. On operational matters, however, Clarke could and did go directly to Rice.

Clarke and his staff said that the new team, having been out of government for at least eight years, had a learning curve to understand al Qaeda and the new transnational terrorist threat. During the transition, Clarke briefed Secretary of State-designate Powell, Rice, and Hadley on al Qaeda, including a mention of "sleeper cells" in many countries, including the United States. Clarke gave a similar briefing to Vice President Cheney in the early days of the administration. Berger said he told Rice during the transition that she would spend more time on terrorism and al Qaeda than on any other issue. Although Clarke briefed President Bush on cybersecurity issues before 9/11, he never briefed or met with President Bush on counterterrorism, which was a significant contrast from the relationship he had enjoyed with President Clinton. Rice pointed out to us that President Bush received his counterterrorism briefings directly from DCI Tenet, who began personally providing intelligence updates at the White House each morning.

Asked by Hadley to offer major initiatives, on January 25, 2001 Clarke forwarded his December 2000 strategy paper, and a copy of his 1998 Delenda plan, to the new national security adviser, Condoleezza Rice. Clarke laid out a proposed agenda for urgent action by the new administration:

- Approval of covert assistance to the Northern Alliance and others.
- Significantly increased funding to pay for this and other CIA activity in preparation of the administration's first budget, for Fiscal Year 2002.
- Choosing a standard of evidence for attributing responsibility for the *U.S.S. Cole* and deciding on a response.
- Going forward with new Predator reconnaissance missions in the spring and preparation of an armed version of the aircraft.
- More work on terrorist fundraising.

Clarke asked on several occasions for early Principals Committee meetings on these issues and was frustrated that no early meeting was scheduled. He wanted principals to accept that al Qaeda was a "first order threat" and not a routine problem being exaggerated by "chicken little" alarmists. No Principals Committee meetings on al Qaeda were held until September 4, 2001.

Rice and Hadley said this was because the Deputies Committee needed to work through the many issues related to new policy on al Qaeda. The Principals Committee did meet frequently before 9/11 on other subjects, Rice told us, including Russia, the Persian Gulf, and the Middle East peace process.

Rice and Hadley told us that although the Clinton administration had worked very hard on the al Qaeda problem, its policies on al Qaeda “had run out of gas,” as Hadley put it. On March 7, Hadley convened an informal meeting of some of his counterparts from other agencies to discuss al Qaeda. After reviewing the background on the issues, Clarke pressed for immediate decisions on covert assistance to the Northern Alliance and others, as well as for Predator reconnaissance missions. Development of a new presidential directive on terrorism was also discussed.

The proposal for aid to the Northern Alliance was moved into this policy review. This was discussed in more detail yesterday in Staff Statement No. 5 on diplomacy. In April, the deputies decided not to approve new aid to the Northern Alliance, pending decisions about a broader aid program that would include other opposition groups in Afghanistan.

The administration took action on the intelligence budget for Fiscal Year 2002. It proposed a 27 percent increase in CIA counterterrorism spending.

On the issue of the *Cole*, the Bush administration received essentially the same “preliminary judgment” that had been briefed to the Clinton administration in December. Clarke consistently pressed officials to adopt some standard of evidence that would permit a response. He recommended on January 25 that the United States adopt the approach of responding at a time, place, and manner of its choosing, “and not be forced into a knee-jerk response.” Rice agreed with the time, place, and manner point. Hadley added that the discussion of retaliation was less about the evidence and more about what to do. Rice and Hadley told us they did not want to launch cruise missiles in a “tit-for-tat” strike as in 1998, which they considered ineffectual. According to Rice, President Bush had the same reaction: don’t do something weak. There was no formal decision not to retaliate. Hadley told us the new administration’s response to the *Cole* would take the form of a more aggressive strategy on al Qaeda.

We have discussed the Predator program earlier today in Staff Statement No. 7. Additional policy direction on terrorist fundraising was incorporated in the planned presidential directive.

As spring turned to summer, Clarke was impatient for decisions on aid to the Northern Alliance and on the Predator program, issues managed by Hadley and the Deputies Committee. Clarke and others perceived the process as slow. Clarke argued that the policy on Afghanistan and Pakistan did not need to be settled before moving ahead against al Qaeda. Hadley emphasized to us the time needed to get new officials confirmed and in place. He told us that they moved the process along as fast as they could. The Deputies Committee met seven times from April to September 10 on issues related to al Qaeda, Afghanistan, and Pakistan.

Rice recalled that in May 2001, as threats of possible terrorist attacks came up again and again in DCI Tenet’s morning discussions with President Bush, the President expressed impatience with “swatting flies” and pushed his advisers to do more. Rice and Tenet met at the end of May,

along with their counterterrorism advisers, to discuss what Rice at the time called “taking the offensive” against al Qaeda. This led to a discussion about how to break the back of Bin Ladin’s organization. Within the NSC staff, Clarke was asked to put together a broad policy to eliminate al Qaeda, to be codified in the presidential directive. The Deputies Committee discussed complementary policies that would be adopted on Afghanistan and Pakistan as well.

Clarke and his staff regarded the new approach as essentially similar to the proposal they had developed in December 2000 and had put forward to the new administration in January 2001. Clarke’s staff produced a draft presidential directive on al Qaeda. Hadley circulated it to his counterparts in early June as “an admittedly ambitious program.”

The draft had the goal of eliminating the al Qaeda network as a threat over a multi-year period. It had headings such as “No Sanctuaries” and “No Financial Support.” The draft committed the administration to providing sufficient funds to support this program in its budgets from Fiscal Year 2002 to Fiscal Year 2006. Specific annexes dealt with activities to be undertaken by the CIA and planning to be done by the Defense Department.

From April through July, alarming threat reports were pouring in. Clarke and the CSG were consumed with coordinating defensive reactions. In late June, Clarke wrote Rice that the threat reporting had reached a crescendo. Security was stepped up for the G-8 summit in Genoa, including air-defense measures. U.S. embassies were temporarily closed. Units of the Fifth Fleet were redeployed from usual locations in the Persian Gulf. Administration officials, including Vice President Cheney, Secretary Powell, and DCI Tenet, contacted foreign officials to urge them to take needed defensive steps.

On July 2, the FBI issued a national threat advisory. Rice recalls asking Clarke on July 5 to bring additional law enforcement and domestic agencies into the CSG threat discussions. That afternoon, officials from a number of these agencies met at the White House, following up with alerts of their own, including FBI and FAA warnings. The next day, the CIA told CSG participants that al Qaeda members “believe the upcoming attack will be a ‘spectacular,’ qualitatively different from anything they have done to date.” On July 27 Clarke reported to Rice and Hadley that the spike in intelligence indicating a near-term attack appeared to have ceased, but he urged them to keep readiness high; intelligence indicated that an attack had been postponed for a few months.

In early August, the CIA prepared an article for the president’s daily intelligence brief on whether or how terrorists might attack the United States. Neither the White House nor the CSG received specific, credible information about any threatened attacks in the United States. Neither Clarke nor the CSG were informed about the August 2001 investigations that produced the discovery of suspected al Qaeda operatives in the United States. Nor did the group learn about the arrest or FBI investigation of Zacarias Moussaoui in Minnesota.

Arguments about flying the Predator continued. Rice and Hadley, contrary to Clarke’s advice, acceded to the CIA view that reconnaissance flights should be held off until the armed version was ready. Hadley sent a July 11 memo to his counterparts at the CIA and the Defense

Department directing them to have Predators capable of being armed ready to deploy no later than September 1.

At the beginning of August Rice and Hadley again reviewed the draft presidential directive on al Qaeda. Rice commented that it was “very good,” and principals needed to discuss it briefly, just for closure, before it was submitted to President Bush. This meeting was scheduled for September 4.

The directive envisioned an expanded covert action program against al Qaeda, including significantly increased funding and more support for the Northern Alliance, anti-Taliban Pashtuns, and other groups. But the authorities for this program had not yet been approved, and the funding to get this program underway still had not been found. Although the administration had proposed a larger covert action budget for FY 02, the Congress had not yet appropriated the money and the fiscal year had not begun. The planned covert action program would need funds going well beyond what had already been budgeted for the current fiscal year, including the supplemental passed at the end of 2000. This budget problem was not resolved before 9/11.

The policy streams converged at a meeting of the Principals Committee, the Administration’s first such meeting on al Qaeda issues, on September 4. Before this meeting, Clarke wrote to Rice summarizing many of his frustrations. He urged policymakers to imagine a day after a terrorist attack, with hundreds of Americans dead at home and abroad, and ask themselves what they could have done earlier. He criticized the military for what he called its unwillingness to retaliate for the *Cole* attack or strike Afghan camps. He accused senior CIA officials of trying to block the Predator program. He warned that unless adequate funding was found for the planned effort, the directive would be a hollow shell. He feared, apparently referring to President Bush’s earlier comment, that Washington might be left with a modest effort to swat flies, relying on foreign governments while waiting for the big attack.

Rice chaired the meeting of principals. They apparently approved the draft directive. As discussed earlier today, they agreed that the armed Predator capability was needed, leaving open issues related to command and control. DCI Tenet was also pressed to reconsider his opposition to starting immediately with reconnaissance flights and, after the meeting, Tenet agreed to proceed with such flights.

Various follow-up activities began in the following days, including discussions between Rice and Tenet, Hadley’s September 10 directive to Tenet to develop expanded covert action authorities, and, that same day, further Deputies Committee consideration of policy toward Afghanistan and Pakistan. Then came the attacks on September 11.