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JOINT INTELLIGENCE COMMITTEE TESTIMONY

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Chairman Graham, Chairman Goss, Members of the Joint Committee: thank you for inviting me here today. We meet at a time of sober reflection, just over a year since the terrorist attacks on the World Trade Center and the Pentagon. We can never forget what we lost that day – more than 3,000 lives cut short... voids created forever. September 11 changed our perspective and priorities as a nation... perhaps even as individuals.

I welcome the Committee's efforts to explore the intelligence community's performance prior to that terrible day and to determine what can be done better. In order to look forward, we have to look back -- to ask hard questions and seek honest answers. All of us want to learn the right lessons to prevent another catastrophe.

At the same time, as your investigation has surely revealed, it is easier to see how puzzle pieces fit together when you have a final picture in hand. History is written through a rearview mirror but it unfolds through a foggy windshield. Few things are as clear at the time as they are looking back. Our challenge now regardless of party or administration, is to sharpen, to the greatest extent we can, our ability to look forward... because the dangers and opportunities our country must confront lie before us, not behind. In that

spirit, what I'd like to do today is, first, put into perspective the intelligence the Clinton administration received and the actions it prompted... and then focus on the challenges I believe our intelligence system still faces in dealing with the jihadist terrorist threat, and what we must do to enhance our capabilities and protect our people.

Counterterror Not a Top Intelligence Priority When We Came Into Office

When President Clinton began his first term in 1993, the intelligence community was primarily focused on the agenda created by the Soviet Union's collapse, the Cold War's end and our Gulf War victory. Despite the fact that, during the 1980s, nearly 500 Americans had been murdered in terrorist attacks abroad by Hezbollah, Islamic Jihad and others, counterterrorism was not a top intelligence priority. The CIA maintained no significant assets in Afghanistan after our withdrawal from the region in 1989. Little was known about Osama bin Laden except that he was one of many financiers of terrorist groups.

Terrorism became a priority for us early on, with the fatal attack on CIA employees at Langley five days after inauguration, the World Trade Center bombing in February, the Iraqi plot to assassinate President Bush in April, and the "Day of Terror" plot against historic landmarks in New York that was thwarted in June. The terrorist threats came from disparate sources – although perhaps less disparate than we knew then – but they reinforced a

larger view that President Clinton expressed early, and with increasing frequency: that the very same forces of global integration that were making our lives better also were empowering the forces of disintegration – terrorists, drug traffickers and international criminals – sometimes all three combined. In 1995, he was the first world leader to bring the terrorist challenge before the United Nations, calling for a global effort to fight it, and as early as 1996, he spoke of terrorism as “the enemy of our generation. Director Tenet shared the President’s sense of priority for the terrorist threat.

To reflect that increased priority, working with the Congress we more than doubled the counter-terrorism budget from 1995 to 2000, during a time of budget stringency – with a 350% increase in the FBI’s counterterrorism funds, and (although classified) substantial increases in CIA’s counterterrorism resources.

We sought to achieve greater coordination by energizing an interagency Counterterrorism Security Group (CSG) consisting of senior-level officials from all key agencies, and appointed a tough-minded activist, Richard Clarke, to a new position of White House-based National Counterterrorism Coordinator. The CSG convened several times a week – sometimes every day – to review threats presented by the intelligence and law enforcement community and follow up. In 1995, the President signed a Presidential Directive formalizing a system for periodically reviewing intelligence priorities, elevating terrorism to a

level exceeded only by support for military operations and a few key countries such as Iraq.

How effective was the intelligence community within the context of that heightened priority? The intelligence and law enforcement community did succeed in preventing a number of very bad things from happening before September 11. They thwarted the "Day of Terror" plot in New York in 1993; Sheikh Omar Abdel Rahman was convicted of that conspiracy in 1995. They worked with foreign intelligence services to track down and capture more than 50 top terrorists, including Ramsey Yousef, responsible for the '93 World Trade Center bombing and Mir Aimal Kansi, who murdered the CIA employees at Langley. With Filipino authorities, they helped to prevent a Manila-based plot to assassinate the Pope and blow up 12 American airlines over the Pacific. Beginning as early as 1997, they undertook a campaign, working with cooperative intelligence agencies around the world, that broke up al Qaeda cells in more than 20 countries.

In late 1999, the CIA warned of five to fifteen attacks on American interests during the Millennium celebrations. That prompted the largest counter-intelligence operation in history before 9/11. Our intelligence community worked with Jordanian officials to uncover plots against the Radisson Hotel in Amman and religious holy sites. Following the arrest of Ahmed Ressam crossing into the U.S. from Canada, they traced material seized from him to terror cells that were broken up in Toronto, Boston, New York and

elsewhere. During this intense period – the most serious threat spike of our time in office – I convened national security Principals, including the Director of Central Intelligence, the Attorney General, the top-level people from the FBI, State and Defense, at the White House virtually every single day for a month for coordinating meetings. I am convinced that serious attacks were prevented by this warning and the actions that resulted.

Yet there were things we did not know or understand well enough. The sophistication of the CIA Counterterrorism Center increased significantly after it was substantially increased in size in 1996 – and the dedication and commitment of the people who worked there was extraordinary – but the picture of the al Qaeda network developed slowly. It was and is a hard and elusive target, as we have seen even since the horrifying events of September 11 galvanized the world to go to war with Afghanistan, and turned Taliban allies like Pakistan into its adversaries.

Islamic jihadists had been attacking American targets since the early '80s, but the linkages among this new breed – hardened by the battle against the Soviets in Afghanistan in the '80s and energized against the United States by the military presence we left in Saudi Arabia after the Gulf War – emerged gradually in the '90s. Our understanding of bin Laden evolved from terrorist financier in the early '90s to an increasingly rabid, magnetic and dangerous galvanizer of anti-American hatred in the mid to late '90s. In June 1998, I

described bin Laden in a "Nightline" TV interview as the most dangerous non-state terrorist in the world.

The first time the intelligence community presented clear evidence of bin Laden's responsibility for attacks against Americans was following the bombings of our embassies in Kenya and Tanzania in August 1998, killing twelve Americans and many more Africans. Our focus on bin Laden, and our efforts to get him, intensified in nature and urgency.

I do believe the CIA was focused on the counterterrorism mission. What we have learned since 9/11 makes clear that the FBI, as an organization, was not as focused. Director Mueller has acknowledged these problems. Until the very end of our time in office, the view we received from the Bureau was that al Qaeda had limited capacity to operate in the U.S. and any presence here was under surveillance. That was not implausible at the time: with the exception of the World Trade Center bombing in 1993, not attributed before 9/11 to bin Laden, plots by foreign terrorists within the U.S. had been detected and stopped. But revelations since September 11 have made clear that the Bureau underestimated the domestic threat. The stream of threat information we received continuously from the FBI and CIA pointed overwhelmingly to attacks on U.S. interests abroad. Certainly, the potential for attacks in the United States was there. That is why, for example, we established the first program on protecting U.S. critical infrastructure. But the ongoing picture of specific threats we received generally was pointed abroad.

Serious efforts appear to be underway to reorient the FBI, making prevention of terrorism its primary mission.

As far as intelligence reporting on threats to civil aviation was concerned, the risk was principally placed overseas and generally involved information about bombing or hijacking. Along with scores of potential threat scenarios – from truck bombs to assassinations to public utilities – we had heard of the idea of airplanes as weapons. But I don't recall being presented with any specific threat information about an attack of this nature or any alert highlighting this threat or indicating that it was any more likely than any other.

Looking Forward: Challenges and Recommendations

Mr. Chairman, in his speech before Congress nine days after September 11, President Bush memorably declared, "In our grief and our anger, we have found our mission and our moment." As our government builds on, expands, and intensifies its efforts to combat terrorism, I'd like to highlight seven important challenges I believe our intelligence community must address if that mission is to succeed.

First, we have to improve dramatically the timely coordination and integration of intelligence. September 11 brought into stark relief the extent of the information breakdown ...not only between agencies, but within them. We

have to resolve these problems, while recognizing that different elements of the national security community have distinctly different intelligence needs.

The creation of a Department of Homeland Security is a step in the right direction, but key to making the new DHS work, in my judgment, will be the creation of an intelligence analytical unit that is accepted as a full partner in the intelligence community: an integrated ALLSOURCE fusion center to analyze and prioritize both domestic and foreign information. It should have the ability to set collection priorities and task partner agencies. And there will still be a need for a White House-led coordinating mechanism – to deal with the policy judgments that flow from threat analysis. In my view, that mechanism is better placed within the National Security Council system rather than separate from it.

Second, we must reach a new consensus on the proper balance of responsibilities within the intelligence community, especially now that the lines between wartime and peacetime... foreign and domestic... law enforcement and intelligence have been blurred. I believe that strengthening the DCI's authority to plan, program and budget for intelligence collection, analysis and dissemination will permit much more effective integration of our intelligence priorities and efforts, including better concentration on counterterrorism. In that connection, I encourage this Committee to consider proposals to separate the DCI and CIA Director positions, so the DCI can focus primarily on community issues and not just CIA concerns. In addition, I would end the

practice of having every intelligence community agency develop its own bilateral relationships with foreign counterparts and give the DCI authority to coordinate all intelligence cooperation with other countries.

Third, the terrorism challenge increases the importance of predictive intelligence from terrorist targets ... the information that tells you where they are going to be and what they are going to do.

This is an incredibly difficult challenge, especially when dealing with a shadowy, cell-based network. After new authorities were issued by the President in 1998, we were actively focused on getting bin Laden and his top lieutenants, through overt and covert means. The success of these efforts depended upon actionable intelligence on his future whereabouts. The intelligence community stepped up its efforts to anticipate bin Laden's movements, but reliable intelligence of this nature emerged only once – shortly after the African embassy bombings. We acted on this predictive intelligence to attack a gathering of bin Laden and his operatives in Afghanistan. Twenty to thirty al Qaeda lieutenants were killed, we were told, and bin Laden was missed by a matter of hours.

Over the next two years, we continually sought to obtain predictive intelligence on bin Laden. This included developing and successfully testing the promising new technology in late 2000. But never again in our time would actionable intelligence necessary for effective action emerge.

Obtaining better predictive intelligence requires continued strengthening of human intelligence collection. Recruiting these exceptional sources requires effort, patience, ingenuity and professional zeal. It also depends upon profound understanding of intelligence targets that comes from the closest possible partnership between the CIA Directorates of Operations and Intelligence.

Fourth, intensified use of new technologies also is essential, particularly “downstream” information capabilities involving processing, exploitation and efficient distribution. We need to enhance the intelligence community’s cadre of computer science and technology experts, as well as expand public-private IT partnerships, building upon Director Tenet’s innovative In-Q-Tel venture capital program.

Fifth, we need to strengthen covert action capability, including paramilitary — while maintaining all of the necessary congressional consultations and oversight. Our military special forces are magnificent, but they are organized and trained to work best within the context of a larger, declared military operation. There is a need for a strong CIA paramilitary capability for highly sensitive, undeclared operations less compatible with the Special Forces traditional mission.

Sixth, I believe we should seek the same ethic of “jointness” among our various intelligence units as Goldwater-Nichols initiated in the military.

Requiring rotational assignments for intelligence professionals in different agencies in the community can expose them to different techniques and points of view, create relationships that facilitate cross-agency cooperation and improve the performance of the overall community.

Finally, we must add resources not only to collection but also to analysis, including looking at new ways to fuse open source analysis with information from clandestine sources. We also need to build better mechanisms for bringing academic and private sector experts into close and constructive contact with the intelligence community. The National Intelligence Council has been used to recruit outside experts for periods in government. We should consider ways of expanding this cooperation, including a quasi-official Institute to bring experts together – in a classified context – with intelligence professionals. And there are less formal ways to build virtual networks of cleared outside experts and government intelligence specialists.

Conclusion

Mr. Chairmen... the hardest challenge for policy makers is to recognize the larger context, to discern the bigger picture, to understand the historical forces, to hear the sound of distant footsteps. That requires the best possible intelligence community. For better or worse, after September 11, nothing is unimaginable anymore. Our challenge is to summon and sustain the will to make our intelligence as good as it must be.

Thank you for this opportunity to share my thoughts. I would be happy to answer your questions.

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