

**Joint Inquiry Staff Statement**  
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## **Introduction**

Chairman Goss, Chairman Graham, members of this Joint Inquiry, good morning. Over the course of the last few months, these Committees have considered a great deal of information, obtained both through witness testimony and documentary review. This morning's testimony by the senior leadership of the Intelligence Community will bring to a close this series of open hearings. What has been perhaps unprecedented, at least in terms of the Intelligence Committees, is the extent to which a good portion of this review has been accomplished through open, public hearings. That effort was driven by both the magnitude of September 11<sup>th</sup> and your recognition of the American public's need to better understand the performance of their government, and particularly the Intelligence Community, with respect to the events of that day.

Beyond the events of September 11<sup>th</sup>, however, we believe these open hearings have also served to educate the public on the ongoing policy debate about the future path of the Intelligence Community. The considerable factual record that is now before these Committees touches on a wide range of issues that are critical to that debate. Ultimately, many of those issues will be considered and addressed in even greater depth as these Committees deliberate on what will become the final report of this Joint Inquiry. At this point, however, the Staff has been asked to briefly review the most important elements of the factual record as well as key questions that we believe have been raised through the course of these public hearings.

## **Review of Key Facts**

Beginning with the initial public hearing, the record describes, in considerable detail, the situation confronting the U. S. Intelligence Community with respect to the terrorist threat posed by Usama Bin Ladin prior to September 11, 2001. Key facts include:

Usama Bin Ladin's public *fatwa* in 1998 authorizing terrorist attacks against American civilians and military personnel worldwide;

Information acquired by the Intelligence Community over a three-year period indicating in broad terms that Usama Bin Ladin's network intended to carry out attacks inside the United States;

The Director of Central Intelligence's (DCI) statement in December 1998 that "we are at war" with Usama Bin Ladin and that no resources should be spared by the Intelligence Community in that regard;

Information accumulated by the Intelligence Community over the course of a seven-year period indicating that international terrorists had considered using airplanes as weapons; and

Numerous indicators of a major impending terrorist attack detected by the Intelligence Community in the spring and summer of 2001. Although those indicators lacked the specifics of precisely where, when, or how the attack would occur, the Intelligence Community had information indicating that the attack was likely to have dramatic consequences for governments and cause mass casualties.

While the specifics of the September 11<sup>th</sup> attacks were not known in advance, relevant information was available in the summer of 2001. The collective significance of that information was not, however, recognized. Perhaps as a result, the information was not fully shared, in a timely and effective manner, both within the Intelligence Community and with other federal agencies. Examples include:

In January 2000, the Central Intelligence Agency (CIA) succeeded in determining that Bin Laden operatives Khalid al-Mihdhar and Nawaf al-Hazmi were in Malaysia and in obtaining important information about them. While some information regarding the two was provided to the FBI at an early point, the weight of the evidence suggests that the CIA apparently did not transmit information regarding al-Mihdhar's possession of a U.S. multiple-entry visa and the likelihood of travel by al-Mihdhar, and later by al-Hazmi, to the United States, despite various opportunities to do so in January 2000, March 2000, and June 2001;

It was not until late August 2001 that the CIA watch-listed al-Mihdhar and al-Hazmi and advised the FBI of their likely presence in the United States. FBI efforts to locate them through the New York and Los Angeles FBI offices proved unsuccessful. Other potentially useful federal agencies were apparently not fully enlisted in that effort: representatives of the State Department, the FAA, and the INS all testified that, prior to September 11<sup>th</sup>, their agencies were not asked to utilize their own information databases as part of the effort to find al-Mihdhar and al-Hazmi. An FAA representative, for example, testified that he believes that, had the FAA been given the names of the two individuals, they would have "picked them up in the reservations system";

The FBI did not grasp the significance of a July 2001 electronic communication from the Phoenix field office identifying a pattern of Middle Eastern males with possible terrorist connections attending flight schools in the United States. Apparently no one at FBI headquarters connected that idea to previous FBI concerns about the topic or to the increasing threat of a terrorist attack in the summer of 2001. The communication generated no broader analytic effort on the issue nor any special alert within the Intelligence Community. Despite its relevance to civil aviation, the FAA did not receive the communication until it was brought to the agency's attention in 2002 by the Joint Inquiry Staff;

Also in the summer of 2001, agents in an FBI field office saw in Zacarias Moussaoui a potential terrorist threat, were concerned about the possibility of a larger plot to target airlines, and shared those concerns with both FBI headquarters and the DCI's Counterterrorism Center. Neither FBI headquarters nor the CTC apparently connected the information to warnings emanating from the CTC about an impending terrorist attack or to the likely presence of two al-Qa'ida operatives, al-Mihdhar and al-Hazmi, in the United States. The same unit at FBI headquarters handled the Phoenix EC, but still did not sound any alarm bells.

No one will ever know whether more extensive analytic efforts, fuller and more timely information sharing, or a greater focus on the connection between these events would have led to the unraveling of the September 11 plot. But, it is at least a possibility that increased analysis, sharing and focus would have drawn greater attention to the growing potential for a major terrorist attack in the United States involving the aviation industry. This could have generated a heightened state of alert regarding such attacks and prompted more aggressive investigation, intelligence gathering and general awareness based on the information our Government did possess prior to September 11, 2001.

Aside from a considerable factual record relating to the September 11<sup>th</sup> attacks, the hearings before these Committees have also identified systemic problems that have impacted and will, if unresolved, continue to impact the performance of the Intelligence Community. Witnesses have, for example, complained about the lack, prior to September 11<sup>th</sup>, of sufficient resources to handle far too many broad requirements for intelligence, of which counterterrorism was only one. While requirements grew, priorities were often not updated. As we reported last week, to much of the Intelligence Community, everything was a priority – the U.S. wanted to know everything about everything all the time.

A lack of counterterrorism resources has been a repeated theme through the course of these hearings, particularly in the testimony of witnesses from the Intelligence Community. There has also been some debate about the exact number of analysts at the FBI and the CIA that were dedicated to Bin Ladin and al Q'aida after the DCI's declaration of war on Bin Ladin in December 1998. The CIA has disagreed with the numbers previously reported by the Staff for fulltime UBL analysts within the DCI's Counterterrorism Center (CTC). The Staff was originally given those numbers in interviews with representatives of the CTC. Recently, we have received additional figures on this point from the CIA indicating that, as of August 2001, there were a total of 48.8 FTEs, or the equivalent of about 49 analysts, focused on UBL throughout the entire CIA.

Regarding their resource issues, the FBI has emphasized that FBI headquarters had a number of operations analysts in addition to the one strategic analyst which we had been told of originally by FBI officials and which was noted in our previous staff

statement. Our statement, which also noted that some of the FBI's strategic analytic capability on al-Q'aida had been transferred to "operational units", does not dispute that point. Our focus had been on the FBI's ability to perform strategic, as opposed to operational, analysis of al-Q'aida.

Beyond those specific points, however, I believe that the Staff, the CIA and the FBI are all in agreement that the resources devoted full time to al-Q'aida analysis prior to September 11<sup>th</sup> paled by comparison to the levels dedicated to that effort after the attacks. As a CIA officer testified during the September 20<sup>th</sup> Joint Inquiry hearing, both CIA and FBI personnel working on Bin Ladin were "simply overwhelmed" by the workload, prior to September 11<sup>th</sup>.

Resource issues were not, however, the only systemic problems facing the Intelligence Community. Even aside from the case of al-Mihdhar and al-Hazmi, a number of witnesses described their own experiences with various legal, institutional, and cultural barriers that apparently impeded the Intelligence Community's ability to enhance the value of intelligence through effective and timely information sharing. This is critically important at several levels: within the Intelligence Community itself, between intelligence agencies and other components of the federal government; and between all those agencies and appropriate state and local authorities. Finally, the loss in potential intelligence from a lack of information sharing cuts both ways: we heard from representatives of state and local authorities that, when confronting the threat of terrorist activity within the United States, intelligence obtained at the local level can be critically important.

In the course of these hearings, we also learned of issues that transcend the Intelligence Community and involve questions of policy. In the aftermath of the Cold War, U.S. counterterrorist efforts confronted the emergence of a new breed of terrorists practicing a new form of terrorism, different from the state-sponsored, limited casualty terrorism of the 1960s, 1970s, and 1980s. U.S. counterterrorist efforts faced a host of new challenges, including the rise of Bin Ladin and al-Qa'ida and the existence of a sanctuary in Afghanistan that enabled al-Qa'ida to organize, train, proselytize, recruit, raise funds and grow into a worldwide menace. As Bin Ladin and his "army" flourished within this sanctuary, the United States continued to rely on what was primarily a law enforcement approach to terrorism. As a result, while prosecutions succeeded in taking individual terrorists off the streets, the masterminds of past and future attacks often remained beyond the reach of justice.

Finally, the record suggests that, prior to September 11<sup>th</sup>, the U.S. intelligence and law enforcement communities were fighting a war against terrorism largely without the benefit of what some would call their most potent weapon in that effort: an alert and committed American public. One need look no further for proof of the latter point than the heroics of the passengers on Flight 93 or the quick action of the flight attendant who identified shoe bomber Richard Reid. While senior levels of the Intelligence Community as well as senior policymakers were made aware of the danger posed by Bin Ladin, there is little indication of any sustained national effort to mobilize public awareness of the

gravity and immediacy of the threat prior to September 11<sup>th</sup>. In the absence of such an effort, there was apparently insufficient public focus on the information that was available on Bin Ladin, his fatwah against the United States, and the attacks that he had already generated against U.S. interests overseas. As Kristen Breitweiser suggested in her testimony during the first public hearing, could “the devastation of September 11<sup>th</sup> been diminished in any degree” had the public been more aware, and thus more alert, regarding the threats we were facing during the summer of 2001?

### **Key Questions for the Committees to Consider**

In sum, the record now before these Committees raises significant questions for consideration by policymakers in both Congress and the Executive branch, as they chart the future path of the Intelligence Community in the war against terrorism. For purposes of this public hearing, these include:

Does the Director of Central Intelligence (DCI) have the power and authority necessary to marshal resources, to instill priorities and to command a consistent response to those priorities throughout the Intelligence Community? When the DCI identified the existence of a “war” against Bin Ladin in 1998, what prevented full mobilization on a war footing throughout the Intelligence Community? What, if any, structural changes are needed to insure greater responsiveness to established priorities and improved collaboration on counterterrorist efforts throughout all parts of the Community?;

What can be done to significantly improve the quality and timeliness of analytical products throughout the Intelligence Community? Do we have the resources, the training, the skills, the creativity, and the incentives in place to produce excellence in analysis, at both the strategic and tactical levels? Are analysts now focused not only on individual events, but also on the collective significance of the bigger picture? Do we need to create a kind of all-source “fusion center” to maximize our ability to “connect the dots” in the future?;

What can be done to insure that the Intelligence Community makes the full and best use of the range of techniques available to disrupt, preempt, and prevent terrorist operations? For example, can we improve and increase our use of human intelligence, signals intelligence, liaison relationships with foreign intelligence and law enforcement services, renditions of terrorists abroad for prosecution in U.S. courts, and covert action? Do our intelligence personnel have the training, resources, tools, and incentives needed to use those techniques effectively?;

Is the Intelligence Community adequately equipped to address the full range of the terrorist threat, both at home and abroad? Has the Community made the adjustments needed to succeed against global terrorist organizations that now

include the domestic United States within their range of targets? Have we established clear channels to facilitate enhanced communication and collaboration between our foreign and domestic intelligence capabilities?;

Can the FBI effectively shoulder the responsibility of addressing the threat within the United States, including the analysis, collection and sharing of intelligence? Is the traditional law enforcement focus on individual prosecutions compatible with a broader, more proactive focus on intelligence and prevention? If so, what can we do to strengthen the FBI's ability to meet the challenge? If not, where should responsibility for addressing the domestic threat lie?;

Can the Intelligence Community requirements process be revamped to reflect more accurately legitimate priorities, to simplify the tasks facing collectors and analysts, and to establish a clearer and more credible basis for the allocation of resources? How can we insure that both Intelligence Community requirements and resources keep pace with future changes in the terrorist threat?;

Do our counterterrorist efforts have full access to the best available information? How can we maximize information sharing within the Intelligence Community, both between agencies and between field operations, management, and other components of individual agencies? In the aftermath of September 11<sup>th</sup>, can our counterterrorist efforts rely on full access to all relevant foreign and domestic intelligence? Have we finally overcome the "walls" that legal, institutional, and cultural factors had erected between our law enforcement and intelligence agencies?;

How do we bridge the informational gap that often exists between the Intelligence Community and other federal, state, and local agencies? What can be done to improve the timely dissemination of relevant intelligence to customer agencies? How do we insure that analytic and collection efforts fully benefit not only from information held within the Community, but also from the great wealth of information that exists in other government agencies, as well as the private sector?;

Can we better harness the benefits of technology to strengthen U.S. intelligence and counterterrorist efforts? When will the FBI be ready to implement technological solutions that will end its longstanding database problems? What, if anything, can be done to speed up that process? Is the Intelligence Community on course to fully utilize data mining and other techniques to greatly improve its collection and analytic capabilities? How can we insure that the Community makes the most of future advances in technology as they occur?;

Should the Intelligence Community play a greater role in focusing policymakers not only on intelligence but also on those areas where the intelligence suggests defensive or other action may be called for? How can we better insure that future efforts to “harden the homeland” – in areas such as tightening border controls and strengthening civil aviation security – will be identified and implemented before, and not merely after, attacks of the magnitude of September 11<sup>th</sup>?; and, finally,

How can we insure that the American public understands and appreciates the full significance and severity of whatever threats may confront this country in the years ahead? How do we balance legitimate national security concerns about the release of intelligence information with the need for the American public to remain alert and committed in efforts as critical as the war against terrorism? How do we maintain, over the long run, a threat warning system that remains both responsible and credible in the eyes of the American public? How can our government, and the Intelligence Community, best explain to the American people not only what happened on September 11<sup>th</sup> but also what they can expect to face in the future?

### **Conclusion**

Those are, in our view, legitimate and relevant questions, based on the factual record of this Inquiry. The extent to which effective responses are developed and ultimately implemented could significantly impact the future course of counterterrorist efforts, both within and beyond the boundaries of the Intelligence Community. With that in mind and with a view towards the future, we have asked the witnesses today to address the following:

If the Intelligence Community could replay the years and months prior to September 11, 2001, would the Community do anything differently the second time around?

What lessons has the Intelligence Community drawn from the September 11 experience?

What will the Intelligence Community do, in specific terms, to improve future performance?

Mr. Chairmen, that concludes my statement for today.