Progress on Intelligence Reform

January 23, 2007

Office of the Director of National Intelligence

Chairman Rockefeller, Vice-Chairman Bond, Members of the Committee, it is our pleasure to speak to you today about the progress the United States Intelligence Community has made during the two years since the Congress enacted and the President signed the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA).

Over the last two years, the Intelligence Community has achieved good results through a concerted effort to integrate itself more tightly, share information more freely, coordinate its actions more efficiently, define its priorities more clearly, and align its resource expenditures against those priorities more strategically.

The Office of the Director of National Intelligence (ODNI) has assumed responsibility for strategic leadership of the IC, but the ODNI has attempted to do this in concert with its IC colleagues, relying on the individual agencies to execute their missions fully and completely. There's no other way for such a large, complex Community to succeed. In a true community, leadership in its fullness is a shared mandate; it extends across bureaucratic divisions and up and down the chain of command. Everyone has to feel responsible and be accountable for the effectiveness of his or her agency, programs, office, and personal actions.

We in ODNI have helped the Intelligence Community protect the security of the United States and advance important national interests in implementing the IRTPA and the recommendations of the President's Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (the WMD Commission). The work of the ODNI has enhanced the Intelligence Community's ability to support policymakers, senior leaders, diplomats, warfighters, and law enforcement officers. We strive to ensure this progress continues, but several more years will be needed to fully achieve the goals of the IRTPA and other proposals.

This reality provides the context for understanding the developments discussed below. To frame our assessment of intelligence reform, we would like to focus on structural change, analysis, collection, management, requirements, the information enterprise, and science and technology. We shall also emphasize the ways in which the ODNI has helped the intelligence reform process.

Structural Change

A great deal of structural change has occurred within the IC during the past two years in response both to our past failures and pressing threats.

We have taken the IRPTA's call for a strong National Counterterrorism Center and made it a reality. The NCTC stands at the center of the intelligence contribution to the War on Terror.

- NCTC is led by an official who has been designated as the mission manager for counterterrorism.

- It comprises officers representing all the relevant federal departments.

- It draws on and shares information from thirty different intelligence networks, including foreign and domestic threat information.

- It convenes coordination meetings across the government three times a day.

- It guides the counterterrorism analytic workload across the IC.

- Finally, when events mandate, it becomes a hub for critical intelligence support to our nation's leaders. NCTC played an important role last summer when the British thwarted the civil aviation plot in London.

IRPTA also focused on the FBI's contribution to national intelligence. The FBI's senior leadership has embraced this mandate and has shown a great commitment to integration within the IC. The Bureau has established the National Security Branch to bring together under one umbrella its counterterrorism, counterintelligence, weapons of mass destruction, and intelligence programs.

As you know, the WMD Commission emphasized the critical contribution HUMINT plays in preserving national security. The Commission called for increased interagency HUMINT coordination, better and more uniform tradecraft standards, and increased joint training for operators. This led to another major structural change in U.S. intelligence: the CIA received the President's approval to establish the National Clandestine Service.

These two changes—the NCS and the NSB—were major events, strengthening our human intelligence effort at home and abroad. In coordination with the National Clandestine Service, the FBI, the Defense Intelligence Agency, and the military Services are improving the training, tradecraft, and integration of their case officers and operations.

Additional innovations have followed: the creation of the National Counterproliferation Center, and the appointment of a MASINT Community Executive, for example. The DNI's Open Source Center, under the executive agency of the CIA, is enhancing its collection and analysis to complement technical collection in a cost-effective manner. Meanwhile, institutions of long-standing assumed important new responsibilities. NSA has been vital in helping support the Global War on Terror. DHS has made great strides in integrating homeland security intelligence. And NGA stepped "out of the box" to help our nation assess and mitigate the terrible impact of Hurricane Katrina.

We also worked side-by-side with the Department of Defense on establishing Joint Intelligence Operations Centers (JIOC) at Combatant Commands around the world and a Departmental JIOC at the DIA. JIOCs will improve coordination and access to information between national intelligence managers and DoD operators in-the-field through embedded personnel and enhanced horizontal integration. This will improve overall corporate situational awareness and adds value/granularity to knowledge bases throughout the entire Intelligence Community.

Collection and Analysis: Working Together

Virtually all observers of the Intelligence Community have emphasized the critical inter-dependence of collection and analysis, as well as the need to continuously improve finished intelligence products through better methodology, more outreach, more alternative analysis, and more transparent sourcing.

If we are going to solve the most difficult intelligence challenges, our analysts and collectors must work hand-in-glove. And they are doing that, precisely in terms of attacking the priority hard targets. For instance, the new North Korea and Iran Mission Managers have already begun promoting Community-wide integration and providing policymakers with briefings drawing on Community-wide expertise. Also, a founding principle in DoD JIOC establishment is better integration of analysts and collectors to enable more agile operations in support of the long war.

In support of collection/analysis collaboration, we also initiated the Integrated Collection Architecture process to develop an objective architecture and implementation roadmap that will be flexible in meeting analysts' needs, to guide future collection investment decisions, address shortfalls in current collection capabilities, and help us close gaps in the Intelligence Community's understanding of critical targets. In so doing, we have begun to identify capability shortfalls and areas of emphasis and de-emphasis to be addressed in the President's Budget.

The Deputy Director of National Intelligence for Collection seeks to re-balance, integrate, and optimize collection capabilities to meet current and future customer and analytic priorities. Collection is by far the most expensive activity undertaken by the Intelligence Community, but it is also what gives the IC its "competitive advantage" in protecting the United States and its interests.

By the same token, under the leadership of the Deputy Director of National Intelligence for Analysis, we have taken many steps to bring analysts closer together. Among many other things,

- We established the Analytic Resources Catalog.

- We established a Long-Range Analysis Unit to stimulate intra-IC focus on "over-the-horizon" issues.

- We have brought IC staff and contributions into the President's Daily Brief beyond the traditional (and still strong) CIA input.

- We have launched several initiatives to strengthen the quality, and ensure the integrity, of IC-wide analytic practice.

- We are establishing activities to ensure that the rich diversity of expertise—resident within and outside of the Community—is brought to bear on our analytic product.

Let me add one final word on collectors and analysts working together: we are pleased that we have developed a new model for assessing and then tasking IC organizations to prepare Community seniors to "lift and shift" collection resources in response to emerging crises.

- Application of this process in support of intelligence efforts during the recent Lebanon crisis proved effective in focusing Community efforts and delivering important new intelligence.

- The same model is being used against the ongoing Darfur crisis and in Somalia.

All of this is being undertaken to provide the best possible support to our policy and military communities. While we have met with substantial success, forging a close-knit, collaborative Intelligence Community remains a significant challenge, but it is one we are committed to pursuing with vigor.

Management

The Deputy Director of National Intelligence for Management (DDNI/M) supervises activities that ensure the ODNI and the IC have the tools and guidance they need to do their work. This begins with strategy.

The principle underlying the first-ever National Intelligence Strategy (NIS) is the transformation of the Community through the integration of its functions. Its five mission objectives and ten enterprise objectives have been translated into strategic implementation plans (approved by the DNI in July 2006) and into program and budget decisions. The ODNI has revised the National Intelligence Program (NIP) budget structure, for instance, to improve transparency and consistency across all NIP programs, to facilitate a "performance budget," and to facilitate analysis of how well the individual NIP programs are supporting the NIS.

The ODNI is making frequent use of the new budgetary and acquisition powers granted by the Intelligence Reform Act to manage and shape the Community. Indeed, the Fiscal Year 2008 program build is critical; it marks the first one that the DNI will lead at all steps of the process. The meshing of budgets, programs, plans, acquisition, and strategy has created a powerful effect on IC elements, several of which are now modeling their own internal governance processes on the ODNI pattern.

The DDNI/M's writ also includes security, training, and human capital, which are vital to the success of the IC of the future, and we are making strides toward making the Community one that not only wins the war for talent but grows and retains a corps of motivated, collaborative, and expert professionals. Indeed, nothing is more important to the IC's future than its workforce, which includes replenishing its ranks of analysts and human collectors, attracting specialists in S&T and WMD, and making the most of America's natural diversity.

Working closely with agencies and departments across the Community, our Chief Human Capital Officer has:

- Completed the first Strategic Human Capital Plan for the IC.

- Developed competencies for analysts and managers across the Community.

- Mandated individual Personal Performance Agreements for agency heads and senior IC executives.

- Completed policies that will make joint duty a prerequisite for promotion to senior levels of the IC.

- Promoted development of modern, performance-based compensation policies for civilian employees that will be completed over the next two years.

These are just a few of the policy initiatives in the area of human capital that we are monitoring closely with our annual surveys of the IC workforce, a reminder to senior management that our colleagues' opinions, desires, and morale are vital elements of a strong Community. And this is just one of a number of initiatives well underway in the management area.

Requirements

The Deputy Director of National Intelligence for Requirements is responsible for ensuring the IC understands and is working to address the full range of customer needs for national intelligence.

Working closely with the National Security Council (NSC), we have revamped the national intelligence priorities process. It is considered very effective in conveying to the IC the nation's highest priority national intelligence needs. Updated semi-annually by the NSC and approved by the President, the national intelligence priorities better focus the IC's collection and analytical effort than in the past. There is close, continuous, and more formal interaction with senior customers to better understand their needs and ensure those needs drive the Community's priorities.

Requirements also completed the first-ever inventory of all US intelligence liaison relationships, and is using the knowledge gained to maximize our reach and minimize the real and potential costs of working with foreign partners. Its Foreign Relations Coordination Council (which includes members from throughout the IC) will help in this task.

Finally, Requirements partnered with the private sector to gain a "hands on" perspective of the international environment that often is unavailable anywhere else. A number of respected groups, including the Center for Strategic and International Studies, the Intelligence and National Security Alliance, the Business Roundtable, and the Chamber of Commerce, work with the ODNI to sponsor private sector firms' participation in unclassified ODNI forums to discuss foreign matters of mutual interest.

Science & Technology

In an age of globalization that closely reflects developments in science and technology, intelligence reform would have dim prospects of success if it did not ensure our competitive advantage in the realm of S&T. As in all of our reforms, S&T change cannot be effected overnight, but that is precisely why our Associate Director for S&T has chosen "Speed" as the first of his cardinal values, the other two being "Synergy" and "Surprise".

Speed is exemplified by agile, flexible, proactive, and rapid responses to new threats and opportunities—and at low cost. We have launched the Rapid Technology Transition Initiative, for instance, to accelerate the transition of innovative technology to operations by funding 13 programs in FY07.

Surprise includes new sources and methods, disruptive technologies, counter-denial and deception, and revolutionary approaches. We have laid the groundwork for an IC's version of DARPA, which we are calling IARPA—the Intelligence Advanced Research Projects Activity— to nurture good ideas for sharing and growing S&T expertise.

Synergy means connecting the dots, forming informal networks, and finding innovation at the crossroads of technologies. We have developed a unified IC S&T Strategy and Plan that identifies and addresses IC-wide technology gaps, establishes new joint S&T programs against high-value, hard targets, and institutes new joint duty programs such as the ODNI S&T Ambassadors initiative.

Information Sharing and Enterprise Architecture

The fastest way to increase the value of intelligence is to share it for collaborative critiques and make it accessible for authorized action. Sharing information is an issue much bigger than the Information Technology field. Each agency and department runs legacy systems that were planned and in many cases deployed long before the Internet age; making them communicate (to create a common IC identification badge, for example) has proved daunting. Solutions in the information-sharing field will have to involve policy changes as well, including sharing information with non-Federal partners and the private sector.

Two senior officials—our DNI Chief Information Officer (CIO) and the Program Manager for Information Sharing Environment—have accomplished a great deal toward both of these ends. Under their leadership we have:

- Implemented a classified information sharing initiative with key U.S. allies. This was "stuck" for a long time. We got it "unstuck."

- Developed and rolled out the Electronic Directory Services, a "virtual phone book" for terrorism information and those that have counterterrorism responsibilities in the US government.

- Released the Information Sharing Environment Implementation Plan and Presidential Guidelines on Information Sharing. These two documents provide the vision and road map for better information sharing within the Intelligence Community and with our Federal, state, local, and tribal counterparts, as well as with the private sector. Implementation of both is well underway.

- Worked improved information sharing within the DoD through implementation of the JIOC construct worldwide.

These are just a few examples of a relentless "problem solving" approach to information sharing and access that empowers everyone in the IC and everyone with whom the IC shares common goals and objectives. The DNI CIO is insisting that all significant IT deployments in the Community be consistent with a common IC enterprise architecture consistent with the Federal Enterprise architecture.

- As part of this, the DNI CIO has inventoried the IC architecture with an eye to pointing the way for IC members to modernize in compatible ways.

- In addition, the DNI CIO established a joint office with the Department of Defense CIO for managing the development and provision of cross-domain solutions that enable the national security systems to move information between networks operating at different security classifications, thereby improving collaboration and sharing.

Conclusion

In conclusion, Mr. Chairman, and Members of the Committee, we have done much to make America safer against the very real threats that menace our fellow Americans, our values, and our friends and allies around the world. The Intelligence Community and the ODNI have embraced the reforms of the past two years and are implementing them, resulting in improvements to all aspects of the IC. Integration is not just a process between agencies; it is also a process within the agencies as we try to coordinate the insights and work of the various intelligence disciplines and processes. By its nature, this integration will be a long process, but its benefits are already being realized and creating increased support among the agencies and their customers for continuing the efforts at an accelerated pace. We are also seeing more clearly where the true challenges lie--and building the trust with the IC that will be necessary to address them. We would be pleased to take any questions that you might have.