

Testimony of the Honorable Lee H. Hamilton

Before the Senate Select Committee, House Permanent Select Committee on Intelligence Joint Inquiry into events surrounding September 11 October 3, 2002

I. Introduction

Chairman Graham, Chairman Goss, Ranking Member Shelby, Ranking Member Pelosi, Members of the Joint Committee -- thank you for giving me this opportunity to testify before you today.

First, let me commend you for the work that you have done and for holding these hearings. You have illuminated the concerns of the nation about the events leading up to September 11, made constructive improvements in our intelligence community, and pointed the way towards further improvements.

I believe that congressional oversight of intelligence is a unique and important responsibility – the intelligence community needs strong, vigorous and thorough oversight that is independent of the executive branch. Only the Congress can provide it, and you have.

Importance of Good Intelligence

Good intelligence is essential to our national security.

We learned on September 11 that having good intelligence is as vital as it has ever been. Intelligence is the most important tool that we have in preventing terrorism, and a crucial component of our efforts to curb weapons proliferation. Policymakers simply must be able to trust that they have good intelligence as they deal with new threats – good intelligence does not guarantee good policy, but poor intelligence does guarantee bad policy.

Difficulties for the Intelligence Community

The demands on the intelligence community are huge and growing.

There are currently unprecedented demands on the intelligence community at a time when technology permits the collection of unprecedented amounts of raw data. The challenge facing the intelligence community is sifting through huge amounts of information, coordinating different agencies, and getting the right information to the right person at the right time.

Since the end of the Cold War, the dangers of international terrorism and weapons proliferation have confronted the intelligence community at a time when resources for human intelligence have decreased and priorities have been reassessed.

Need for Improvement

Currently, our intelligence capabilities are very good, but there is room for improvement.

The people working at our intelligence agencies are highly talented and dedicated to their work and country. They are called upon to do a difficult, and sometimes dangerous job, with the knowledge that good work will rarely receive outside recognition.

We have seen some spectacular intelligence successes, but we have also seen spectacular failures. Thus, it is important that we reform the intelligence community so that it is better prepared and equipped to face new and developing threats.

Reform

I am aware that too much or too little effort can be put into reform.

Too much reform can lead to spending so much time rearranging boxes that you lose sight of the mission. Too little reform can occur if key weaknesses are not addressed.

I do not favor radical change in the intelligence community, but I will suggest several reforms that would address key weaknesses in our intelligence community. I favor:

- putting one person in charge of our intelligence community,
- improving coordination among agencies and cooperation with foreign governments,
- establishing a statutory foundation for the intelligence establishment,
- increasing resources,
- hiring more spies and expanding the talent pool,
- increasing public understanding of the intelligence community,
- and setting clear priorities.

I understand that several of the reforms that I will mention are already underway – my comments will re-enforce these efforts.

II. Reform

The primary purpose of our intelligence community should be advancing national security. There are many other important topics – economic, environmental and health concerns – but as we look at how to reform the intelligence community we must focus on national security.

Setting Priorities

First, we need to establish clear priorities for the intelligence community.

There is an insatiable demand for intelligence among policy-makers, and an increasing reliance on intelligence for military operations. Thus, the intelligence community is increasingly demand-driven – acting in response to requests or in reaction to events. Advances in technology complicate things by providing us with far more raw intelligence data than we could ever use – there are simply too many intelligence targets, products, and consumers.

The fact is the intelligence community cannot do everything at once and do it all well. There must be priorities established, and greater attention to long-term strategic planning. Since the end of the Cold War, there has not been a clear set of priorities or allocation of resources within the intelligence community. The National Security Council (NSC) should be clear in laying out guidelines for long-term strategic planning, and consumers must be clear in prioritizing their demands. Our two most important priorities should be:

- combating and preventing terrorism,
- preventing the proliferation of weapons of mass destruction.

Responsibility is on the consumers of intelligence to set, in some orderly manner, the priorities. I am not persuaded they do it – or at least do it well. Instead, they tend to demand more and more intelligence.

We must make determinations about where to focus our resources to face these new threats with a sustained and comprehensive commitment.

Organization

New intelligence priorities demand a reorganization of the intelligence community.

The very term “intelligence community” demonstrates how decentralized and fragmented our intelligence capabilities are. The intelligence community is a kind of

loose confederation. There is a redundancy in our efforts, an imbalance between collection and analysis, and problems with coordination among various agencies.

We need a center in the government for all intelligence – foreign and domestic – to come together. There is currently no place in the government where we put together data from all of our domestic and foreign sources – the CIA, FBI, Department of Defense, Department of State, NSA, and other agencies.

We need a single cabinet-level official who is fully in charge of the intelligence community – a Director of National Intelligence, or DNI. This official must be in frequent and candid contact with the president, and have his full confidence. There are very few, if any, more important presidential appointments.

The Director of National Intelligence (DNI) should have control over much, if not most of, the intelligence budget, and should have the power to manage key appointments. Currently, the Director of Central Intelligence (DCI), the leading intelligence figure, does not have this control, and thus lacks authority. In order to effectively manage the intelligence community, a Director of National Intelligence must have budget and management authority.

The Director of National Intelligence should not be the DCI, National Security Advisor or Secretary of Defense – they would have a natural bias towards their own agency. Only by establishing an independent center for intelligence with an independent, Cabinet-level official will we solve the problems of insufficient coordination and sharing of information.

The new demands on intelligence demand a new management structure. I am, of course, well aware of the opposition to this approach, and the difficulty of enacting it. But we really are in a new era, and we must think anew. If we were starting all over again, I cannot imagine we would create such a vast enterprise and have no one clearly in charge.

Improved Coordination Among Agencies

We must have better cooperation among our intelligence agencies.

We have taken steps to improve the exchange of information between various agencies since September 11, but more must be done. Turf wars and squabbling must end, and agencies including, but not limited to, the FBI, the CIA and the NSA must enhance their capability to share and coordinate intelligence.

The transnational threat of terrorism requires an unprecedented overlap between intelligence and law enforcement that presents many challenges. The CIA and the FBI have long-established roles and ways of doing things that are hard to reform, and international terrorism demands a difficult harmony between foreign and domestic operations.

Both agencies will have to fundamentally alter the way they do things in order to work together effectively. The FBI, with its new emphasis on prevention, will have to focus more on counter-terrorism, and the CIA will have to trace international leads to the homeland. Most important, the two agencies will have to share information and work together to infiltrate, disrupt and destroy terrorist cells.

To do this we will have to improve our technology. We need better computer networks to improve the flow of information within and between different agencies. For instance, there needs to be a centralized database where individual names can be checked for relevant information.

If the shortcomings leading up to 9/11 were systemic in nature, the solution lies in better system management, the handling and analysis of vast amounts of information, and the distribution in a timely manner of the key conclusions to the right people.

It is essential that the intelligence community organize itself so that all of its resources can be coordinated and agencies aid, not obstruct, one another.

Improved Cooperation with Foreign Countries

We must also develop closer intelligence relationships with countries that can help us get critical information.

Al Qaeda has operatives working in small cells in over eighty countries around the world. Material that could be used to make weapons of mass destruction can pass through global black markets. Future threats will emerge from unforeseen and remote parts of the world.

Our intelligence community cannot be everywhere at once. Already, effective cooperation with foreign intelligence has been essential in rooting out al Qaeda in the war on terrorism – countries as diverse as Pakistan, Germany, Yemen, and the Phillipines have provided assistance.

We must continue to strengthen relationships with foreign intelligence agencies to enable us to combat transnational threats.

Increased Resources

We need to substantially increase resources for the intelligence community.

In the decade following the end of the Cold War, resources for intelligence declined by some thirty percent. I am glad to see that a renewed commitment to providing resources for the intelligence community is underway – you are to be commended for that effort. We must make a sustained effort to bolster our capabilities.

We need to maintain our technological advantage, but we also must take important steps to improve our human intelligence:

--1) We need to hire more spies.

Technology alone will not make us secure. We must make a sustained commitment to putting people on the ground who can detect and alert us to terrorist plots.

New threats demand that we abandon burdensome hiring restrictions – I understand that this has already been accomplished. We will need to work within political sects and terrorist cells in countries and remote areas where we have not had a significant presence. This may demand making some unsavory contacts in order to infiltrate and break-up terrorist networks.

I do not have exaggerated expectations of what HUMINT can achieve, especially in dealing with terrorist cells. But I do believe that we must make a greater effort.

Intelligence sometimes requires unpleasant choices and human intelligence is crucial to combating terrorism. Great caution and discriminating judgments must be made.

-- 2) We need to expand the talent pool.

We must increase the number of qualified people available to our intelligence agencies. We should invest more in language and professional training. We need people who are fluent in specific and multiple languages, and people with crucial technical skills.

I understand that this effort is also underway. No one should expect quick progress here. It takes a long time to identify and train a large number of such people.

-- 3) We need to make greater use of open-source information.

We need to develop a better understanding of foreign cultures and religions. Our intelligence agencies need to make greater use of newspapers, periodicals, satellite television, radio transmissions, Internet web sites, books, pamphlets, and religious tracts that will alert us to broad trends and patterns that are developing around the world.

For years, the open-media and educational institutions in parts of the Islamic world indicated the growing level of hatred and commitment to violence against the United States. We need to pay closer attention to what the rest of the world is saying about us.

-- 4) As we increase our resources we must be cost-effective.

Merely spending more will not fix anything. We must be sure that we are getting what we pay for and what we need for the intelligence community.

Many of the steps necessary for improving our intelligence capability are not expensive.

Improving cooperation between various intelligence agencies is a matter of organization, not spending. Improved coordination and a center for intelligence should actually cut down on excessive redundancy and needless spending.

But we have to recognize that while excessive redundancy is unnecessary, some duplication is acceptable. Competing analyses and a diversity of views should be encouraged. The environment within the intelligence community must encourage analysts to speak up so that there is a constructive dialogue within and between agencies, and whistle-blowers must be comfortable in coming forward.

The intelligence community must be held to a hard-headed cost-benefit analysis – I am not sure it always has been. There is here, perhaps more than in any other area, a decided tendency to throw more dollars – and hurriedly – at the problems.

Needed improvements in human intelligence are also not a matter of major increases in spending. Human intelligence is one of the cheaper intelligence initiatives – hiring more spies and improving the talent pool are far less expensive than deploying new technologies.

If we develop an intelligence strategy based on clear priorities with a streamlined organization, we can achieve our goals while remaining cost-effective.

Respect for the Rule of Law

While advancing intelligence reforms, we must balance our need for national security with respect for the rule of law.

Reforms in the intelligence community must not come at the expense of the rule of law and respect for basic civil liberties. For instance, the coordination between intelligence and law enforcement raises important questions. Using intelligence methods must not become routine in domestic law enforcement, and the rights of U.S. citizens must be respected.

Intelligence work requires that our government obtain information, and obtaining that information requires surveillance of people who have committed no crime – the challenge is to facilitate information-gathering about suspicious people while insulating legitimate personal and political activity from intrusive scrutiny.

The U.S. intelligence agencies work within a democratic system of checks and balances. Americans want and deserve freedom and democracy, as well as effectiveness.

Congress has a major role to play in balancing the need for accountability and openness in our democracy

Statutory Foundation

We need a statutory foundation for U.S. intelligence.

U.S. intelligence is governed by a set of disparate laws and executive orders produced over the last fifty-five years. No single one of these laws provides a comprehensive legal foundation for our massive intelligence establishment. This is a remarkable state of affairs in a country that takes the rule of law so seriously.

Streamlining the intelligence community will require legislation. But we might want to go further, and try to write a legislative charter for the intelligence community. I know the difficulty of the task. Indeed, I tried to do it not once, but several times, and got nowhere. But, to me at least, it still makes sense.

Public Understanding of the Intelligence Community

We need to increase public understanding of the intelligence community.

There is much skepticism, even cynicism, about the intelligence community among the American people. It is not in our interest to let this grow, even to fester.

As much information as possible should be made public about the process, management and role of the intelligence community. Effort must be made to help the American people understand the challenges facing the intelligence community, and the manner in which those challenges are being addressed. The more the American people understand the intelligence community and the importance and difficulty of its work, the more they will trust and support the actions and policies of the government.

Politicization of Intelligence

Finally, we must be careful to ensure that intelligence is not mixed with politics. Policymakers should not use intelligence as a tool to make a policy look good – they should use intelligence as a tool to make good policy.

Because it relies so much on secrecy, intelligence fits awkwardly into an open society. Intelligence is essential to national security and secrets must be kept, but the burden is on the president and the Congress to ensure, to the maximum extent possible, that our intelligence community is held to the standards of accountability and transparency of a representative democracy.