

**Statement
of
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before the
United States Senate Select Committee on Intelligence
Hearing on “IC Progress Since 2004”
25 January 2007
Washington, D.C. 20510**

Good afternoon, Mr. Chairman, and members of the Committee. Thank you for the opportunity to participate in this important hearing on issues pertaining to the Office of the Director of National Intelligence (ODNI).

This written statement to the Committee draws heavily on my professional career at CIA, on my brief stint as the team leader for intelligence in the Transition Planning Office for the Department of Homeland Security (2002-2003), and on my two-year tour as the first Staff Director of the House Homeland Security Committee (2003 to 2005).

The views expressed are my own. They are influenced by my long experience building and managing analytic programs in the Intelligence Community, where I served as CIA’s Deputy Director for Intelligence, as Chairman of the National Intelligence Council, and as Assistant Director for Analysis and Production. I should point out that I have been working in the private sector for nearly two years and have not had the close contact with the Intelligence Community that I previously enjoyed. I concede that my perspective, therefore, is not as fresh on every point as I would like.

In this statement, I will:

- Answer the questions I can from those the Committee provided in its letter to me of 18 January 2007.
- List my own top priorities for IC reform under the DNI.
- Provide five strategic questions for IC leadership.

Committee Questions:

1. *What steps has the ODNI taken to ensure effective coordination and appropriate unity of effort among the nation’s intelligence agencies?*

I believe significant efforts have been made to improve coordination of IC analysis and collection, though I am not in a position to comment in detail.

2. Should any additional steps be taken to clarify or strengthen the responsibilities and authorities of the DNI with respect to the major intelligence agencies?

I strongly believe that, at this time, we need stronger IC leadership, not more legislation, to accelerate intelligence reform. We now have that leadership at DoD and will soon have it in the ODNI.

3. How well are the ODNI and the major departments, such as the Department of Defense, coordinating their activities on issues of common concern?

I believe that there has been a counterproductive tension between the ODNI and the USDI that new leadership can fix. Similarly, confusion about roles and responsibilities for homeland security and defense has complicated relations among DHS, Northern Command, and the FBI. Again, I am confident that the new leadership at DoD and the ODNI will address this problem.

The Congress in the late 1990s created the positions of Deputy Director of Central Intelligence for Community Managements (DDCI-CM), and assistant directors of collection and analysis and production, all of which were resisted by CIA and inexplicably underutilized by the DCI to run an increasingly complex Intelligence Community. By sharp contrast, the Secretary of Defense successfully lobbied, against surprisingly little IC resistance, for the creation of an Undersecretary of Defense for Intelligence position, which was approved in 2002, adding more heft to what already was the IC's thousand pound gorilla. Significantly, the defense community got out ahead of the national community in calling for – and developing – both centralized and decentralized networks that would bring analysis and collection capabilities closer to military personnel on the front lines. It was inevitable, in my view, that in a post-9/11 period of bureaucratic turmoil, DoD would emerge stronger than ever.

4. Are the National Counterterrorism Center, the National Counterproliferation Center, and the other DNI mission managers realizing the vision behind their creation?

I am not qualified to comment.

5. Is access to intelligence information improving for those with a need for the information? Is the intelligence community striking a better balance between sharing information and protecting sources?

While some progress has been made, much more needs to be done in information sharing. A marked increase in production from new analytic units has increased the volume of what can be shared. It is open to question, however, whether what is being shared is the “right stuff” to enhance IC collaboration on critical issues.

Implementation of an effective Homeland Security Information Network and the embedding of experienced intelligence and operational personnel in the state fusion

centers would facilitate the flow of timely, actionable, “all-hazard” information between and among state and local governments and the national intelligence and law enforcement communities.

6. *What has the ODNI done to improve human intelligence collection and what future plans are in place?*

I am not qualified to comment.

7. *What programs and policies are being put in place to improve the quality of intelligence analysis and to ensure it is objective and independent?*

The ODNI, the DDNI for Analysis in particular, has done a good job of baselining IC analytic resources, elevating tradecraft standards, improving training, and protecting analytic objectivity. Still, more needs to be done, as the DNI knows.

8. *Has the right balance of centralization and decentralization been achieved within the intelligence community?*

Both pressures are – and will continue to be – there. In my first-hand experience as an IC leader, the preponderant pressures within the IC increasingly were toward **decentralization**, not the centralized, “one-stop-shopping” models – including some ambitious interpretations of the National Counterintelligence Center (NCTC) – generally favored by Washington.

The information revolution has given us the unprecedented capability to meet decentralized demands, to provide close-in collection and analytic support to diplomats abroad and to war fighters on the battlefield. In the 1990s, the demand grew among diplomats and “war fighters” for a distributed model of collection management and analysis, because they were dealing increasingly with diverse transnational threats close to their locations. And they were aware that technology existed to reduce dramatically the “distance” between the producers and users of intelligence.

Combatant commanders, often playing the diplomat’s role, demanded real-time intelligence support and insisted that they have their own analysts in place. The evolution continues today for a distributed model of intelligence analysis and collection.

9. *What has the ODNI done to ensure compliance with the Constitution and laws of the United States both in the CIA and in all other intelligence community elements?*

I am not qualified to comment.

10. *What additional steps should the Executive Branch and the Congress take to improve the performance of the intelligence community?*

I would recommend that the Executive Branch direct that the new SECDEF, DNI, Secretary of Homeland Security and the Attorney General constitute a task force under DNI chairmanship to develop within six months a common list of strategic priorities for intelligence reform that respond to the Intelligence Reform and Terrorism Prevention Act of 2004, and to provide a concrete plan to address them. There should be no new legislation until the new IC leadership is given a chance to take stock, to identify problems, and to recommend solutions – which may or many not include proposals for new legislation.

Proposed Priorities:

The Intelligence Reform and Terrorism Prevention Act of 2004 created opportunities but no guarantees for enhancing our national security, and it left a lot of holes that only smart leaders can fill. In moving forward, the Executive Branch, in close collaboration with Congressional Committees of jurisdiction, needs to develop a strategic reform agenda with clear reform goals and metrics.

Recommendation 1— *Back the New DNI, but Hold Him Accountable:* The DNI’s agenda should include priorities of common concern to DoD, DHS, and the Attorney General: improving HUMINT capabilities to steal secrets (with less public exposure), enhancing technical collection, and open-source capabilities; significantly accelerating electronic connectivity and access to collaborative technologies in the analytic community; establishing a cross-agency program evaluation capability; developing interagency professional and technical training programs in a real, professionally staffed and amply resourced National Intelligence University; building a user-friendly collection management system capable of responding to real-time requirements in the field as well as in Washington; and forging enduring relationships with outside experts, especially with the global scientific community. The high expectations on the DNI, of course, will only be realized if he has the backing of the White House.

Recommendation 2 – *Trust New Leadership over New Legislation:* The new SECDEF and the impending leadership changes at the ODNI and USDI offer the prospect of the strongest, most experienced and most collaborative leadership team in decades. Make this talented team accountable for advancing IC reform, for making sense of what legislation we have. Give leadership a chance. Defer legislation.

Recommendation 3—*Resist Further Structural Buildup:* Restrain the longstanding Congressional tendency to adopt structural solutions to functional problems. It is politically more difficult to make leadership accountable for fixing existing organizations, including streamlining them, but it is ultimately less costly and more effective in implementing real reform. In any restructuring, we need to balance better

than we have the competing needs for centralized and decentralized models for analysis and collection. The hasty establishment of the TTIC and NCTC taught us that the resistance encountered to these centralized models was in part the result of legitimate leadership concern about degrading critical capabilities needed in an increasingly decentralized Intelligence Community. Structure, by itself, is no panacea.

Recommendation 4—*Strengthen DHS and Give it an Overarching Domestic Intelligence Role:* DHS was designed in statute to be an independent agency to nurture new capabilities to protect America against information-age threats. The Executive Branch and the Congress should publicly make clear their support for a strong DHS—with the capabilities the Homeland Security Act intended—to coordinate the programs and prioritize the activities of federal, state, and local governments to prevent man-made (e.g., terrorism) and natural disasters, to protect our people and critical infrastructure, and to respond effectively if such disasters should occur.

Recommendation 5—*Clarify FBI's Particular Role in Domestic Intelligence:* The FBI, its 56 field stations, and its growing network of over 100 Joint Terrorism Task Forces (JTTFs) have a part to play in the development of a national intelligence capability but it should be a collaborative, not a leading, role. We should lower expectations of a dominant role for the Bureau in domestic intelligence. The FBI, unless the White House and Congress are prepared to push a fundamental FBI restructuring in favor of intelligence, should not be expected to produce either the authoritative analysis of the terrorist threat to the homeland or a national collection requirements system.

Recommendation 6—*Clarify Departmental Roles and Responsibilities:* The new IC leadership should work urgently to clarify roles and responsibilities of key agencies with responsibilities for intelligence and homeland security missions. The NCTC, DHS, DoD (especially the Northern Command), CIA, and FBI, while understandably enlarging their missions, are bumping into each other in the integration of foreign and domestic intelligence, and colliding in establishing working relationships with state and local governments. This is a manageable problem if caught early, a serious issue with implications for preparedness, response, and civil liberties if ignored. Recent press reports of military involvement in domestic intelligence collection may or may not turn out to be serious concerns for the protection of civil liberties. They are, however, clear indications of the need to clarify roles and responsibilities in a new threat environment.

Recommendation 7—*Clarify CIA's Role Under the DNI:* The advent of the DNI has ruptured CIA's 57-year special relationship with the President. CIA analysts and HUMINT officers were directly responsible through their Director to the President as IC coordinators rather than to a cabinet-level policymaker. The recent placement in CIA of the new National HUMINT Service, with IC-wide coordinating responsibilities, is a good step. The Agency's unique analytic capabilities need to be recognized and fostered in a similar fashion. They are an invaluable asset to the DNI and the President that should not be underestimated.

Recommendation 8—*Push Congressional Reform:* The Executive Branch should continue to press for the reform of Congressional jurisdiction. The 9/11 Commission rendered a serious and damning critique of Congressional oversight. Both the House and Senate have commendably created committees to consolidate some of the far-flung jurisdiction on homeland security, though jurisdiction still is scattered over multiple committees and subcommittees. None of this, moreover, has changed the inadequate oversight of the intelligence agencies or otherwise gone far enough to align, in any lasting way, Executive and Legislative branch priorities for IC reform. Reform of Congressional oversight will be a continuous work in progress for the indefinite future.

Improving our intelligence capabilities is today an imperative, not an option, if we are to confront the complicated, globally distributed, and increasingly lethal national-security threats of the 21st century.

Questions for IC Leadership:

In formal talks and personal conversation with former colleagues, I pose five “strategic questions” that I would also offer to our new IC leaders. I describe them as questions that “haunt” a proud CIA veteran, not discourage him. Leadership can make the critical difference on how history will say these questions were answered over time. These notional questions go beyond the explicit issues raised in reform legislation and address broader and deeper questions about the mission of US intelligence today and tomorrow. I believe these are questions for IC leadership first and lawmakers second.

First, why would an analyst want to work in the US Intelligence Community today when a decade-long pressure to provide the IC analytic community with electronic connectivity (including messaging capability), with state-of-the-art collaborative technologies, and with ready access to outside experts has not been fulfilled? (See, for comparative reference, the attached section of the CIA DI Strategic Plan of 1996.)

Second, why would any citizen of a foreign country be willing to work clandestinely with US intelligence when the risk of leaks in Washington is so high and when sensitive intelligence issues are increasingly regarded as appropriate for public discussion?

Third, why should we expect the IC to adapt to a dramatically changed world when traditional security and counterintelligence policies make this so hard to do? We need to work toward a shared governance of security and counterintelligence policies that would include analytic and collection managers in decisions related to hiring, retention, and outside professional contacts. The threats to sources and methods are greater today than ever. But the costs of lost collaboration are equally damaging to the quality of national and global security analysis.

Fourth, why would talented young Americans want to work for the IC when the global post-Cold-War mission for the Intelligence Community is less clear today than yesterday to those taking risks and living under hardship conditions overseas? The Global

War on Terrorism, in my view, is not enough to mobilize and motivate a younger generation for a full career in intelligence.

Fifth, why, in today's information environment, would any policymaker see the IC as the center of gravity on expertise regarding the diverse and complicated threats we face? On what sources will the next generation of policymakers rely to inform and educate itself?

Directorate of Intelligence Strategic Plan, August 1996

(Unclassified for Public Release)

For the Directorate of Intelligence (DI), change is an imperative, not an option. In the past decade we have witnessed a historic reordering of international relationships and an explosion of new technologies that are having a major impact on our information-based business. Change in the next decade likely will be even more dramatic. The only question is whether we will drive it smartly or be driven by it chaotically. The answer – drive smart – is what this strategic plan is all about.

Wide-Ranging, Complicated Issues. Ten years ago, our primary analytic effort was against the Soviet Union – its strategic forces, its politics and economy, and its activities around the world – subjects on which CIA was widely acknowledged to have special expertise. In the next 10 years, the DI will be expected to provide faster, focused, and sophisticated analysis on a much broader range of global, regional, and transnational issues – discrete collection-and-analysis programs, all of high priority to the President and other key intelligence consumers. On many of these issues, CIA will no longer be seen to have a unique comparative advantage over other government agencies and the private sector. We will need to concentrate our resources on what intelligence does best, collaborate more aggressively with outside experts, and invest early in the skills we will need to meet these priorities.

More Demanding Customers. As the issues increase in number and complexity, so do the consumers. In 1986 most DI customers were served from Langley with written analysis in standardized formats delivered by courier. Intelligence producers and collectors consulted with consumers but largely set priorities themselves. In 2006, all our key customers will expect customized service – real-time analytic support geared to their program agendas – and will be served in person and electronically by a host of tailored formats. The DI work force will be increasingly deployed to Intelligence Community (IC) centers of excellence or with consumers to meet their specific needs. More than ever, the intelligence customer will be king! And the DI officer will be a “marketeer” as well as a substantive expert or specialist.

More Focused Collection. A decade ago, the DI’s communication with collectors was, on balance, constructive but passive – we took and evaluated what came along, without pushing “consumer demand,” and we had only a marginal role in evaluating clandestine collection. A decade from now, the DI, as a primary all-source nexus in the IC, will actively drive collection – articulating requirements, assiduously identifying gaps, and rigorously evaluating raw reports – for all the intelligence disciplines. Through partnerships we will help collectors identify the most productive targets. Analysis will significantly increase its role and responsibilities in the overall intelligence process.

Information Revolution. In the mid-1980s, the DI analyst communicated within CIA by pneumatic tube; thousands of separate, unrelated files were maintained at

Headquarters; the mainframe and “dumb” terminals were the “latest” in DI technology; a megabyte (1,000,000 bytes) was a lot of information; and most analysts saw computer expertise as a specialty in others’ hands. In 2006 every DI analyst will be adept in the use of his/her own interactive terminal combining telephone, computer and television; worldnet will provide instant communications throughout the IC and consumer world and across the globe; encryption will be unbreakable and fast; all information – for management as well as analysis – will be digitized or digitizable; and a terabyte (1,000,000,000,000 bytes) will be the norm for storage and retrieval of information. All this in a single generation! The DI must work closely with the Directorate of Science and Technology to ensure that it has the most advanced information systems and state-of-the-art analytic tools.

More Flexible, Better Trained Work Force. Ten years ago, the DI officer expected to spend most of his/her career based at Headquarters – whether or not he/she switched jobs or areas of expertise – tied to the career service of a regional, functional, or support office or staff. Interdirectorate and cross-IC contacts existed, but stovepipes were the order of the day. In the future, DI managers will emphasize skill and expertise development – including through a skills-oriented Performance Appraisal Report system – that can be nurtured and rewarded wherever the employee serves within the DI, CIA, the IC, or the policy community at home or abroad. Continuing education – investment in our workforce – will be a top priority. And the Directorate will have both the “bench strength” and the training resources to make this happen. A vigorous IC interaction will be enhanced by full electronic connectivity and a management stress on team building.

Greater Outreach. In 1986 the interaction of DI analysts with academic and business experts was largely confined to the few who attended our seminars or provided contractual services. Our analysts often encountered suspicion or hostility among the broader communities. In 2006, the outside appearance of a DI expert will draw no more public attention than the presence of an officer from any other government agency, and analytic exchanges with outside academics and business experts across the Internet will be common. The expertise we need is out there. We need to be out there to get it!

Central Intelligence Agency, Analysis: Directorate of Intelligence In the 21st Century, August 1996, pp. 1-2.