



**Testimony of
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Before the
Senate Select Committee on Intelligence
Concerning
Implementation of the Intelligence Reform and Terrorism Prevention Act of 2004
January 25, 2007**

Good afternoon Mr. Chairman, Vice Chairman Bond, and Members of the Committee. I am pleased to be here today to discuss the FBI's progress in strengthening its intelligence capabilities and implementing the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA).

After the attacks of September 11, 2001, the FBI's priorities shifted dramatically as we charted a new course, with national security at the forefront of our mission to protect America. The historic enactment of IRTPA provided the FBI with the necessary tools and guidance to continue enhancing our capabilities.

The intervening five years have seen tremendous changes at the FBI. Chief among them is the development of a more robust intelligence program, which we began implementing in early 2002. In 2003, we created an Office of Intelligence, which was charged with creating a single program to manage all FBI intelligence production activities. We also expanded our analytic, reporting, and intelligence capabilities.

Our efforts were endorsed by Congress, the 9/11 Commission, and the WMD Commission, who offered additional recommendations and guidance on how to further strengthen the FBI's intelligence program. In response, the FBI in February 2005, officially established the Directorate of Intelligence as a dedicated and integrated intelligence service within the FBI. In September 2005, we implemented a Presidential directive based on the WMD Commission's recommendation to establish a "National Security Service" that integrates the FBI's national security programs under the leadership of an Executive Assistant Director. The National Security Branch (NSB) comprises the FBI's Counterterrorism Division (CTD), Counterintelligence Division (CD), and the Directorate of Intelligence (DI), and – as of July 2006 – the new Weapons of Mass Destruction Directorate (WMDD).

In this relatively short period of time, the FBI has made significant progress in fulfilling the provisions of IRTPA and in meeting the numerous other expectations placed upon the Bureau. In addition to those mentioned above, our accomplishments in strengthening our intelligence capabilities and implementing the Act include the following:

Strengthened Intelligence Capabilities

Since September 11, 2001, the men and women of the FBI have worked tirelessly to reinforce our intelligence capabilities and improve our ability to protect the American people from national security threats. We have built on our established capacity to collect information and enhanced our ability to analyze and disseminate intelligence. The development of the DI and the NSB also enhanced the FBI's mission as a dual law enforcement and intelligence agency.

As part of our efforts to strengthen the FBI's capabilities, we have overhauled our counterterrorism operations, expanded our intelligence capabilities, modernized our business practices and technology, and improved our coordination with our federal, state, local, and tribal partners.

As called for in IRTPA, the Director of the FBI carries out his responsibility for intelligence collection, processing, analysis, and dissemination through the DI. By virtue of the Director's designation of the EAD-NSB and the designation of the DI as a component of the NSB, the EAD-NSB assumes authority for these intelligence functions. This authority is carried out under the joint guidance of the Attorney General and the Director of National Intelligence (DNI).

Collection Against National Intelligence Requirements

The EAD-NSB is responsible for implementation of strategies for collection against national intelligence priorities and ensures that the national priorities drive intelligence collection in each FBI division. To implement that responsibility, the DI has developed an intelligence requirements and collection management process that actively manages the transmission of national intelligence and FBI requirements to the field.

To ensure that intelligence tasking is aligned with DNI priorities, the FBI is currently participating in the Office of the Director of National Intelligence's (ODNI) Integrated Collection and Analysis Requirements System (ICARS), previously known as Intelligence Community (IC) MAP. ICARS is a web-based collection requirements management environment that provides a common, secure, single point-of-entry for all authorized users. When completed, this information technology project could be used to automate FBI intelligence collection management, linking information requirements to collection and tasking and intelligence production.

Field Intelligence Groups

The FBI has established a Field Intelligence Group (FIG) in each of its 56 field offices to manage and coordinate intelligence functions in the field. The FIGs are the mechanism through which the FBI contributes to regional and local perspectives on a variety of issues, including the receipt of and action on integrated investigative and intelligence requirements. In addition, FIGs provide the intelligence link to the Joint Terrorism Task Forces (JTTF), Fusion Centers, FBIHQ, and other Intelligence Community agencies. FIGs are staffed by Intelligence Analysts (IAs), Special Agents (SAs), Language Analysts (LAs), and Surveillance Specialists. As called for in IRTPA, each FIG reports directly to a field office senior manager responsible for intelligence matters.

In June 2006, the DI issued an Electronic Communication (EC) to standardize FIG structure and clarify the roles and responsibilities of operational squads and field intelligence personnel. In September 2006, the DI issued a FIG Handbook, which provides additional specific guidance, instructions, and policy for many aspects of FIG organization, operations, and administration.

Domain Management

Traditionally, the FBI has derived intelligence primarily from our cases. The establishment of the NSB in 2005 required that we expand our intelligence capacity beyond case-driven investigations. The focus is to remain ahead of the threat. After completing successful pilots in 10 field offices across the country, the FBI has adopted a comprehensive domain management methodology that will form the basis of our approach to analysis and integration throughout the FBI. Domain management is simply about “questions and choices”: What do we need to know about our territory to protect the people in it? What do we know about the threats and vulnerabilities that worry us most? What don’t we know about the threats and vulnerabilities that worry us most? What are we going to do to address our threats and vulnerabilities?

The domain management process is a continuous, systematic approach designed to achieve a comprehensive understanding of a geographic or substantive area of responsibility. It provides the basis for investigative, intelligence, and management direction by enabling leaders to consider and select courses of action through the knowledge gained, identified gaps in knowledge, and identified gaps in capability. Although the selected course of action may at times involve diverting resources to close those knowledge gaps, the purpose of domain management is to better arm our leadership with strategic domain knowledge to proactively identify and neutralize national security and criminal threats.

Strategic Analysis

A key part of the FBI’s national security emphasis is the capacity to understand homeland threats in a strategic context. To that end, the NSB has placed an emphasis on

achieving and sustaining an appropriate operational balance between strategic and tactical analysis. The Senior-Level Intelligence Officer positions authorized by Congress and approved by the DNI will provide a dedicated cadre of senior analysts who will sustain the focus on issues about which policy makers and planners need information now to manage or confront challenges when they emerge.

In that vein, the FBI has become an active participant in the process for identifying and authoring items for the President's Daily Brief and the National Terrorism Bulletin. FBI analysts have also done groundbreaking work on subjects such as Islamic radicalization and the counterterrorism, counterintelligence, and counterproliferation threats to the United States.

Human Intelligence (HUMINT)

In response to IRTPA and a Presidential directive, the FBI, in collaboration with the Department of Justice (DOJ), has begun a Confidential Human Source Re-engineering Project to enhance and improve the administration and operation of the FBI's Human Source Program.

As part of the Re-Engineering Project, the FBI and DOJ have worked to update guidelines on Human Source policy and Human Source validation. The ultimate goals of the Re-engineering Project are to streamline, consolidate, and update all human source guidelines; develop a "one source" concept; strengthen the validation of human sources; and introduce an advanced information technology application (Delta) that will support new human source management policies. The changes to the existing policies will enhance the FBI's ability to share human intelligence information within its organization and will encourage SAs to open and operate new Human Sources.

National Intelligence Workforce

Consistent with IRTPA, the FBI has also created an Intelligence Career Service (ICS) of SAs, IAs, LAs, and Surveillance Specialists. The DI continues to build up the ICS, bringing an additional 370 IAs onboard in fiscal year 2006. The FBI currently has approximately 2,200 IAs onboard as a result of these efforts, more than double the number onboard before 9/11. The number of linguists, meanwhile, has climbed to more than 1,300, with the number of linguists in certain high-priority languages (Middle Eastern and North African languages) increasing by more than 250%. In addition, our linguists are playing a more integral role in our intelligence program.

Recruitment and Retention Efforts

As part of its recruiting efforts, the FBI is seeking IAs and SAs with substantial expertise to meet national security needs, as defined by the DNI. The FBI will ensure that our standards reinforce and are integrated with the DNI's IC-wide effort to establish a common set of core, competency-based qualification standards for analysts.

The FBI is continuing to enhance our process for ensuring that we continue to hire the most highly qualified analyst applicants. In addition to the existing online application and panel interview, we are currently validating a selection tool that would incorporate a writing sample, specialized tests, and situational exercises into the selection process. This proposed selection system is modeled on the success of the Special Agent program.

The FBI is implementing several workforce programs to build our national security capabilities, including specialized SA, IA, and Professional Support career paths. These programs are designed to enhance and establish national security workforce specialties and create training and developmental opportunities for SAs, IAs, LAs, and Surveillance Specialists in the FBI's national security programs. They will be developed in close coordination with the DNI, to ensure that IC joint duty requirements and other functionally specific cross-community career paths are addressed.

An example of our recruitment and retention efforts is the use of the authority afforded the FBI in the Consolidated Appropriations Act of 2005 to obtain Senior Intelligence Officer positions using senior level positions and critical pay authority. The Attorney General, the Office of Personnel Management, and the Office of Management and Budget have approved the FBI's request for 24 Senior Intelligence Officers and corresponding critical pay authority. The Senior Intelligence Officer for Counterterrorism position was posted in October 2006, and an applicant has been selected for this job.

In the leadership development arena, the FBI created an FBI Intelligence Officer Certification (FIOC) Program, as recommended by the 9/11 Commission, and mandated by Presidential directive. FIOC complements the larger Intelligence Community Officer (ICO) Program, which develops senior intelligence professionals to serve as future leaders of the IC. FIOC, which is aligned with ICO certification criteria, will serve as a credential for those who wish to pursue ICO certification. Both the FBI Intelligence Officer and the ICO must demonstrate in-depth knowledge, work, and experience in intelligence issues. However, FIOC is unique to the FBI in its emphasis on integrating the FBI's dual investigative and intelligence missions. This program is available to SAs, IAs, LAs, and Surveillance Specialists.

Training Initiatives

Consistent with IRTPA, the DI in October 2005 launched the ICS Cohort Program, a training initiative designed to prepare new ICS members to work collaboratively against national security and criminal threats to the United States.

We are currently in the process of enhancing and updating the Cohort initiative, incorporating lessons learned and other suggestions from students to ensure that we are giving our new hires the skills necessary to do their jobs in the most effective way possible. The refined entry-level training program will focus more sharply on

fundamental analytic tradecraft skills (i.e., critical thinking, expository writing, and briefing).

The FBI is fully engaged in the ODNI's efforts to strengthen intelligence analytic tradecraft. On an interagency level, we participated in the ODNI's pilot "Analyst 101" training program, which provides training in analytic tradecraft to an IC-wide student body. The FBI intends to participate in future training sessions.

More generally, the FBI is expanding current classroom, in-service, and computer-based training for Bureau employees and our partners in other federal, state, local, and tribal agencies. Extensive efforts are underway to provide new and existing training opportunities for all employees working in national security matters.

To enhance the coordination of our national security training, we recently created the NSB Executive Training Board, made up of executives from the four NSB component divisions. The board is working collaboratively to develop national security training requirements, curricula, and thresholds for new agent and analyst career paths and training sets for new agents and analysts. For example, New Agent Training has been recently modified to provide 100 additional hours of training in all national security-related areas.

The NSB is also developing a catalog of specialized national security training courses. Created in conjunction with the ODNI, the catalog will be broken down into core and elective instruction and will help employees and managers develop programs appropriate for their specific roles and responsibilities. Courses will also be available in a variety of formats to better serve users at FBI Headquarters and field offices.

The NSB is devoting particular attention to Human Source development training by conducting an evaluation of existing HUMINT training, including identifying best methods and practices used by other members of the IC. This evaluation is being conducted to ensure compliance with developing ODNI standards as well. Among the particulars are extensive modifications to New Agent Training, the modification of advanced training courses, and the new "HUMINT Source Targeting and Development Course," which was piloted in fall 2006 and which the DNI called an important first step toward development of the FBI's domestic HUMINT training program. We are currently working with the CIA to refine the course and will re-launch it in 2007.

In addition to Human Source development training, new courses have been and are being developed to explain the role of the NSB to the IC; state, local, and tribal law enforcement; and our own FBI employees. Among these initiatives is a collaborative effort between the FBI's Counterterrorism Division and the U.S. Military Academy's Combating Terrorism Center (CTC) to develop a counterterrorism curriculum, exchange instructors, and work on knowledge development projects. This collaborative effort includes providing training to JTTFs, hosting a Counterterrorism Leadership retreat at West Point that was held in August 2006, developing and delivering instruction to New

Agent Trainees, and the future development of FBI case studies and a counterterrorism textbook.

Infrastructure

Although the FBI's information technology (IT) systems and other infrastructure have offered us some of our greatest challenges, they have also resulted in some of our most significant improvements in the last five years. We are ensuring that our IT systems and other infrastructure are being developed along with the architecture as required in Section 8402 of the IRTPA. We are ensuring consistency with the Information Sharing Environment Architecture.

Investigative Data Warehouse

An example of a technology application that has surpassed our expectations is the Investigative Data Warehouse (IDW). IDW is a centralized repository for relevant counterterrorism and investigative data that allows users to query the information using advanced software tools. IDW now contains over 560 million FBI and other agency documents from previously stove-piped systems. Nearly 12,000 users can access it via the FBI's classified network from any FBI terminal throughout the globe. And, nearly 30 percent of the user accounts are provided to task force members from other local, state and federal agencies.

Foreign Terrorist Tracking Task Force

The Foreign Terrorist Tracking Task Force (FTTTF) was created pursuant to Homeland Security Presidential Directive No. 2 and was consolidated into the FBI pursuant to the Attorney General's directive in August 2002. The FTTTF uses innovative analytical techniques and technologies that help keep foreign terrorists and their supporters out of the United States or lead to their location, detention, prosecution, or removal.

The participants in the FTTTF include the Department of Defense, the Department of Homeland Security's Bureaus of Immigration and Customs Enforcement and Customs and Border Protection, the State Department, the Social Security Administration, the Office of Personnel Management, the Department of Energy, and the Central Intelligence Agency.

To accomplish its mission, the FTTTF has facilitated and coordinated information sharing agreements among these participating agencies and other public and proprietary companies to assist in locating terrorists and their supporters who are, or have been, in the United States. The FTTTF has access to over 40 sources of data containing lists of known and suspected foreign terrorists and their supporters, including the FBI's Violent Gang and Terrorist Offenders File (VGTOF).

Secure Work Environment

The FBI's expanded role in intelligence operations has significantly increased the requirement to build Secure Work Environment (SWE) facilities. The goal is to provide the physical infrastructure and IT connectivity to enable FBI personnel to execute their mission of protecting national security. A database of existing Sensitive Compartmented Information Facilities (SCIF) space and SCIF requirements has been developed, which includes SCIF construction projects underway. This database is at the center of the NSB's plan to develop and build-out the SCIF requirements of the FBI.

The NSB directs the prioritization of the deployment of SCIF space and Sensitive Compartmentalized Information Operational Network (SCION) connectivity based upon established threat-based criteria and available resources. A prioritized list of 100 field office headquarters and resident agencies was completed to facilitate the construction of SCIF space and the deployment of SCION connectivity. In FY 2006, retrofits of existing SWE facilities were begun in 48 of the top 100 locations. Construction was completed at 25 locations, 15 of which were accredited in FY 2006. In FY 2007, retrofits of existing SWE facilities are scheduled to begin at an additional 60 locations.

We also are working to provide SCION access to as many locations as quickly as possible so we have a baseline level of connectivity in every field office and resident agency. From the inception of the project to the end of FY 2006, SCION has been deployed to 55 field offices (New Orleans Field Office deployment remains incomplete due to reconstruction from Hurricane Katrina), 29 Resident Agencies (RAs)/off-sites, and one LEGAT (London). In FY 2006 alone, SCION was deployed to 37 field offices, 12 RAs/off-sites, and one LEGAT, thereby exceeding the congressional mandate of 20 field office deployments for FY 2006.

Budget Authority

As recommended by the WMD Commission, and mandated by Presidential directive, the EAD-NSB exercises direct budget authority over the Counterterrorism/Counterintelligence and Intelligence budget decision units, which include funding for all FBI national security programs.

The FBI has further implemented the WMD Commission recommendation by funding the intelligence activities of the FBI in the National Intelligence Program (NIP) in the President's FY 2007 budget request, consistent with the DNI's statutory authorities. Under the IRTPA, the DNI is responsible for developing and determining the annual consolidated NIP budget. Consistent with the IRTPA, the FBI works closely with the DNI and provides his staff the FBI's assessment of our needs, our priorities, and other

technical and subject matter assistance as requested. In addition, the DNI also has the authority to reprogram (with certain limitations) and monitor the execution of these funds.

During the FY 2007 budget formulation process, the FBI, along with DOJ, reviewed its NIP, and agreed with the ODNI that it did not adequately reflect the FBI's intelligence capabilities. With the mandate of the President to create the NSB, the FBI worked extensively with the DNI staff to create a new NIP budget structure that would encompass all FBI intelligence related activities, without hindering counterterrorism and law enforcement functions. The FBI worked extensively with the DOJ and the DNI to devise and obtain approval for a new methodology that would better reflect the FBI's intelligence program, as well as map to other programs/priorities within the rest of the IC. The FBI, DOJ, and DNI agreed to this new methodology in December 2005, and it is reflected in the FBI's FY 2007 Congressional Budget Justification Book (CJB).

The DNI will provide strategic guidance through his budget authority, while tactical and operational control over the FBI's investigative, intelligence, and law enforcement resources will remain with the Attorney General and the Director of the FBI. Preserving this chain of command ensures that the Attorney General will be able to meet statutory responsibilities to enforce federal law.

To ensure the DNI has full visibility into the FBI's portion of the NIP budget, the FBI's NIP budget submissions will contain DNI-specified detail. Also consistent with the IRTPA, the DNI will provide guidance to the Attorney General on the development and execution of the remainder of the budget under the management of the EAD-NSB. Further, the FBI regularly conducts budget execution reviews with the ODNI to ensure the NIP budget and program remain visible throughout the execution of each fiscal year.

The ODNI and the FBI/DOJ continue to assess the impact of the budget realignment that has been reflected in the FBI's FY 2007 NIP Budget. Initial review of the impact is centered on developing an accounting process to ensure appropriate allocation of resources and the distribution of expenses between NIP and non-NIP funding.

Collaboration

As envisioned by the authors of IRTPA, the FBI has become a full member of the Intelligence Community. To enhance collaboration with other IC agencies, the Director designated the EAD-NSB as the lead official responsible for coordination with the ODNI and the rest of the IC. The EAD-NSB ensures appropriate FBI representation in the interagency process and participation in IC activities as requested by the DNI.

The NSB senior management represents the FBI at the DNI's weekly Program Manager meetings, Information Sharing Council meetings, and the monthly DNI Intelligence Community Leadership Committee (ICLC) meetings. The EAD-NSB meets regularly with the Principal Deputy DNI (PDDNI) and periodically with the DNI to

ensure effective coordination and communication. FBI personnel participate in approximately 170 IC boards, councils, and regular working groups. The effective coordination of the FBI's role in these groups is a high priority within the NSB.

The DI represents the FBI on those IC bodies that coordinate collection requirements, analysis, and production functions, and other activities related to the DI mission. Other FBI officials, such as the Chief Information Officer (CIO), the Chief Human Capital Officer, and senior managers from the Security Division, Facilities and Logistics Services Division, and the Science and Technology Branch, represent the FBI on bodies that coordinate IC policies and programs under their jurisdictions.

Information Sharing

Among the fundamental post-9/11 changes in the FBI, sharing intelligence is now a primary objective. We have developed an FBI intelligence presence within the intelligence and law enforcement communities by sharing Intelligence Information Reports (IIRs), Intelligence Assessments (IAs), Intelligence Bulletins (IBs), and related intelligence information on platforms routinely used by our law enforcement and Intelligence Community partners, including the Joint Worldwide Intelligence Communications System (JWICS), Secure Internet Router Protocol Network (SIPRNet) and Law Enforcement Online (LEO), as well as on the FBI Intranet. In one measure of our information sharing efforts, the FBI disseminated more than 7,100 IIRs in FY 2006 to our Intelligence Community partners via SAMNET.

The FBI has also expanded its analytic investment in the National Counterterrorism Center (NCTC), with more than 40 analysts now deployed to NCTC. The FBI also maintains a substantial cadre of counterterrorism personnel at CIA, and established the National JTTF (NJTTF) in July 2002 to serve as a coordinating mechanism with the FBI's partners. Some 40 agencies are now represented in the NJTTF, which has become a focal point for information sharing and the management of large-scale projects that involve multiple partners. The activities of the NJTTF are consistent with the Information Sharing Environment (ISE) Implementation Plan and Presidential guidelines.

Fusion Centers

Information sharing with state, local, and tribal law enforcement is also crucial to fulfilling the FBI's intelligence mission. The FBI has expanded its efforts to share raw intelligence reporting and analysis with state, local, and tribal entities on LEO. The FBI also produces joint bulletins with the Department of Homeland Security (DHS) for our law enforcement partners on threat issues. These activities were reinforced in 2006 with the dissemination of policy and guidelines for FBI integration with state-wide fusion centers, a partnership with DHS to jointly codify expectations for our roles in these centers and continuation of actions to put a minimum of one SA and one IA in the lead fusion center in each state.

The FBI recognizes that fusion centers are fundamental in facilitating the sharing of homeland security and criminal-related information and intelligence and considers our participation in fusion centers an extension of our traditionally strong working relationship with our state, local, tribal and private sector partners. The FBI has been an active participant in the ISE Program Manager's development of Guideline 2, and is ensuring our partnerships with fusion centers are consistent with that guideline. Moreover, the FBI is a partner in developing the implementation plan for a national level coordination group to facilitate timely information sharing.

Conclusion

The FBI has a mandate from the President, Congress, the Attorney General, and the DNI to protect national security by producing intelligence in support of our investigative mission, national intelligence priorities, and the needs of other customers. The FBI has always used intelligence to solve cases; however, today, we count on our agents and analysts working hand-in-hand with colleagues around the country and around the world to collectively piece together information about multiple, interrelated issues.

With the authority and guidance provided by the IRTPA and other directives and recommendations, the FBI has implemented significant changes to enhance our ability to counter today's most critical threats. We recognize that additional work remains to be done. We look forward to continuing to work with the committee to tackle those challenges.

I appreciate the opportunity to be here today. I would be happy to answer any questions you may have.