

# **DNI Authorities Hearing**

before the

**Senate Select Committee on Intelligence**

**14 February 2008**



**J. Michael McConnell**

**Director of National Intelligence**

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DNI AUTHORITIES

UNCLASSIFIED  
**STATEMENT FOR THE RECORD**

INTRODUCTION

Chairman Rockefeller, Vice Chairman Bond, Members of the Committee, thank you for the opportunity to testify today on the authorities given to the Director of Intelligence (DNI).

Any discussion of authorities must first begin with principles: What purpose does intelligence serve? Why do we have a Director of National Intelligence (DNI)? And what kind of role should the DNI play?

DECISION ADVANTAGE

We in the Intelligence Community have a solemn mandate: The responsibility to provide relevant and objective analysis to customers across the government—from law enforcement officials, to warfighters, to the President, and the Congress. Our job is to create a decision advantage to the leaders of our country. By decision advantage, we mean the ability to prevent

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strategic surprise, understand emerging threats and track known threats, while adapting to the changing world. We also have an operational role, in some circumstances, to confront or remove foreign threats to the nation.

## ORGANIZATIONAL OPTIONS

There are a variety of views on how to structure our Community to meet this responsibility. The four organizational options range from that of (1) an overseer to (2) coordinator to (3) integrator to (4) director who “directs” the Intelligence Community’s activities.

## OVERSIGHT & COORDINATION

For decades, the Community was led in a decentralized fashion with various agencies being directed largely by their departments with limited “direction” from the Director of Central Intelligence. Until the creation of the DNI, the Director of Central Intelligence doubled as the Director of the CIA and the coordinator of over a dozen intelligence agencies and components. It was apparent that managing the day-to-day activities of the CIA while effectively overseeing and integrating the Community composed of organizations serving other cabinet level Departments was a significant challenge for a single person. With passage of the Intelligence Reform and Terrorism Prevention Act (IRTPA) of December 2004, the DNI

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inherited a divided community that required greater coordination and integration to be effective in meeting the threats of this century.

A number and variety of studies since the 1947 National Security Act recommended that the Intelligence Community integrate its efforts under a single, empowered leader. But it took two events: the trauma of the September 11<sup>th</sup> attacks and the failure of intelligence on Iraq WMD, to spur dramatic reform of the Intelligence Community.

Today, we are building the foundation to meet the challenges of the 21<sup>st</sup> Century. Our mandate as we sit before you is to lead this Community of 16 agencies and components, of which the DNI has direct reporting responsibility for only one, the CIA. The remaining components are all under independent department heads.

Our current structure charts a middle path between a Department of Intelligence with line control over all elements and a confederated model, which provides resources but not day to day direction to subordinate elements.

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Our current model empowers an intelligence community leader, the DNI, who manages the strategic planning, policy, and budgets for all national intelligence activities, but does not have operational control over the elements that conduct intelligence activities. The DNI also does not have direct authority over the personnel in the 16 agencies in the community.

INTEGRATE THE  
INTELLIGENCE  
ENTERPRISE

As part of our 500 Day Plan efforts, we have focused the DNI's role as the integrator of the Intelligence Community. We seek to create efficiencies and improved effectiveness in shared services like security clearances, information technology, and communications, but still promote an environment where the IC elements improve their individual and essential areas of expertise.

This integration model of governance across Departments is still being defined because we are in new territory for U.S. Intelligence.

This middle ground creates healthy tension in the system—one that obliges us to take on big issues within the Community while at the same time, doing so with the support and collaboration of the 16 Community members and in cooperation

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with the Cabinet Department heads who house 15 of these elements.

**IRTPA AUTHORITIES**

The IRTPA legislation directed specific responsibilities and tasks for the DNI and the Office of the DNI. We believe a limited corporate headquarters staff is required to carry out strategic tasks such as: analytic and collection leadership; integration and prioritization; IC-wide Science and Technology; budget development and oversight; Information Technology integration; information sharing enhancement; human resources policy development and direction; equal opportunity and diversity direction and management; and civil liberties and privacy protection leadership and advocacy. In addition, the ODNI operates the following mission management-related centers and staff elements:

**MISSION FOCUSED**

The National Intelligence Council (NIC);  
The National Counterterrorism Center (NCTC);  
The National Counterproliferation Center (NCPC);  
The National Counterintelligence Executive (NCIX);  
Office of Analytic Mission Management  
National Intelligence Coordination Center (NIC-C)

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This organizational structure enables the Office of the DNI to implement the coordination and integration required by the Intelligence Reform and Terrorism Prevention Act and ensures the IC's collective efforts are effective and efficient.

## SUCSESSES

This arrangement has seen significant successes in the three years since the ODNI was created in law. It has made an impact on how we do our business and the contribution we make to the nation's well-being. Let me provide you with just a few examples of intelligence reforms we've implemented so far.

We have:

- Established an Executive Committee of IC Agency heads and principal customers to address the tough issues facing the IC and to provide the DNI with decision making support.
- Significantly enhanced intelligence collaboration across the IC for collection, analysis, and dissemination.
- Improved analytic tradecraft by setting more rigorous standards, promoting alternative analysis, and enabling greater IC analytic collaboration.
- Resourced the National Counterterrorism Center to ensure the integration of all strategic level information relevant to counterterrorism strategic analysis as well as to promote

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all-source intelligence collection collaboration and tasking deconfliction.

- Focused exclusively on guiding the Intelligence Community at large, allowing the CIA Director to give his agency the attention it requires.
- Worked with Congress to update the Foreign Intelligence Surveillance Act to be responsive to the threats of the 21<sup>st</sup> century.
- Played a key leadership role in the interagency effort to enhance the security of Federal IT networks.
- Established a civilian Joint Duty program which requires our future senior leaders to have experience at more than one intelligence agency; this will help the IC to create a more cohesive and collaborative community.
- Greatly enhanced classified information sharing among our foreign partners.
- Launched Security Clearance transformation.
- Integrated and coordinated the intelligence community-wide budget to ensure that we are making the hard choices now to prepare the community for the future.

**DIRECTION FOR FUTURE** I have just described where we were and where we are. I would like to talk about where we want to go. To further intelligence



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transformation, we have launched reform initiatives aligned to our longer term vision. I'd like to profile them briefly here:

1) CREATE A CULTURE OF COLLABORATION

We must develop a workforce that knows, understands, and trusts one another, and regularly shares information to develop better intelligence products. Initiatives such as Joint Duty are critical to transforming our culture. We are also developing uniform compensation policies across the IC appropriate for our high performing 21<sup>st</sup> century civilian workforce, which will also serve as an incentive to bring our community closer together.

We want to create a culture of intelligence analysts who understand that they have a "responsibility to provide" the needed information to the right customer in time to be useful. Such a culture puts great pressure on our analysts to know their customers, and to understand how to task all collection systems, and meet their obligations to protect sources and methods.

2) ACCELERATE INFORMATION SHARING

The seamless flow of information among the different collection disciplines and analytic communities will enable our leaders to have the intelligence they need to make the right decisions. We cannot continue to maintain multiple, non-interoperable networks within the Intelligence Community or operate under archaic information sharing regimes. Initiatives

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such as the Single Information Environment and modernizing our information sharing policies and procedures will help us accomplish this goal.

3) FOSTER COLLECTION  
& ANALYTIC  
TRANSFORMATION

By transforming how we identify and address collection gaps, we will produce fused Intelligence, creating better situational awareness and enabling better decision making. We must organize the community around priority missions, not around specific intelligence disciplines and agency organization charts. Our Mission Management approach allows leaders to work across IC issues to bring the best solutions to the problem using multi-disciplinary teams from across the community.

4) BUILD TECHNOLOGY  
LEADERSHIP &  
ACQUISITION  
EXCELLENCE

We will gain influences over our adversaries by exploiting America's advantages in technology and systems management. This will require us to radically rethink the way we identify, develop, and field promising new technologies. The current approach is too slow to counter a rapidly evolving threat. Specifically, this requires acquisition reform, streamlining the procurement process, and achieving greater synergies among our science and technology communities.

5) MODERNIZE BUSINESS  
PRACTICES

It will be difficult to accomplish any of our objectives with

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antiquated business practices and systems. We need to deploy an integrated planning, programming, budgeting, and performance management process that aligns strategy to budget, budget to capabilities, and capabilities to performance. This requires timely, accurate, and reliable financial systems and the ability to provide an auditable financial statement.

6) CLARIFY & ALIGN the  
DNI's AUTHORITIES

Let me describe to you where we are today on the question of DNI authorities. We seek national intelligence authority that can focus, guide, and coordinate all IC agencies to ensure that our wide-array of intelligence consumers have the timely, tailored intelligence they need to make decisions. We are proud of our successes thus far in integrating the community using our current authorities, but there are impediments that slow our ability to take rapid action. We will continue to address these impediments to intelligence reform by exercising our current authorities. In addition, we are working as a member of the inter-agency process to update current Executive Guidance on the operation of the Intelligence Community. One of the main focus areas of this inter-agency process for recommendations to the President is maintaining and strengthening protections for privacy and civil liberties.

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## AREAS FOR SUPPORT

However, there are a few areas in which your support is required. Personnel policies can be both transformational and serve to create a common culture. We request that you act on the recommendations we have identified to build and support a unified IC civilian workforce. This includes proposals to allow us to implement modern compensation practices for all IC civilian employees; place all IC civilian employees in the excepted service; and provide for critical pay positions. We also request relief from rigid civilian end strength ceilings. These reforms would provide the IC with flexibility to most effectively implement our joint duty program; create a performance-based culture and reward and retain our best employees; and generally improve the strategic management of the IC workforce as a more cohesive entity.

## CONCLUSION

In conclusion, we have seen significant reform in the Intelligence Community under our current authorities. Over the last few years, the IC has achieved positive results through a concentrated effort for better integration, better strategic management of scarce resources, and sharing of information more freely. With your support, the DNI will continue the Community's transformation to meet the charge I spoke of earlier: To create a decision advantage to our leaders and,

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ultimately, to protect our citizens, our values, and our way of  
life.

Thank you.