Mr. Chairman:

Thank you for inviting me to appear before this Committee. Few issues facing the country match the importance of the reform of the intelligence community that you are considering. The proposals that give the impetus for this effort were put forward by the 9/11 Commission in a thoughtful, unanimous report. This Commission deserves the nation’s gratitude for the meticulous manner by which it has assembled the facts of that tragedy and the thoughtful recommendations it has made. The majority of these proposals have either been implemented or are in the process of being implemented.

But the drastic restructuring of the intelligence community that is being proposed transcends the lessons of a single episode, however traumatic. It goes to the heart of the national security structure of the United States across a spectrum far exceeding the events of 9/11. It will basically alter the methods for dealing with the issue of terrorism but, equally important, will modify the way judgments about the nature of the political and economic forces that will shape the world over the next decades are reached.

Most major policy decisions involve judgments about consequences and about facts. Intelligence supplies the indispensable raw material from which these judgments are distilled. Any reform must start with examining whether its objectives can best be achieved by improving and modifying existing institutions or whether a substantial restructuring is needed.

The 9/11 proposals amount to a radical restructuring. To undertake such a step in the midst of a war is a major decision requiring the most careful consideration. Changes of the scope now being discussed will bring with them a long period – perhaps years – of turmoil throughout the intelligence community. Care must be taken lest a too hasty reorganization create vulnerabilities greater than those trying to be solved. Thoughtfulness is more important than speed. This is especially the case when decisions are accelerated during an election campaign.

A pause for reflection appears all the more desirable when one examines the issues awaiting resolution:

(a) The Role of the Proposed National Director of Intelligence

The decision to create another layer between the President and the existing institutions raises the following problems:
If the director is to be the principal intelligence adviser to the President, a new bureaucracy would have to be created to redirect the flow of intelligence throughout the government and sift the intelligence input from the various components of the intelligence community. Where would the personnel for such a structure come from? Does it mean dismantling existing institutions, and which ones? Could the national intelligence director function without having the analytic branch of the CIA placed under his or her direction? If the CIA were reorganized in this manner, would it then shrink into an organization for conducting clandestine activities? If the essential relationship between analysts and operators is weakened, does the operational branch become rudderless and the analytical branch too academic?

Is the new director to be in control of domestic intelligence? If so, is this compatible with the checks and balances most other advanced democracies have found preferable? Creating an intelligence czar with domestic surveillance authority that is not under the Attorney General, and measures that separate domestic intelligence from law enforcement, go against all the lessons that democratic governments have learned the hard way.

How will competing views on intelligence be brought to the President’s attention? Indeed, how will competing views emerge in so centralized a structure?

Does a national intelligence director with such powers weaken the NSC process and the roles of the national security adviser and secretary of state?

How is the tactical and operational military intelligence linked to the new structure being envisaged? The proposal to have the Under Secretary of Defense for Intelligence act at the same time as Deputy Director of Intelligence could weaken the authority of both principals.

Could some of the objectives sought by reorganization be achieved by strengthening the existing institutions, especially the position of the DCI?

(b) Separating Intelligence from Policy

This problem has two seemingly contradictory aspects. On the one hand, the analytical function needs to be distanced from the preferences of policymakers so that analytical conclusions, to the maximum extent possible, are based on the evidence and not on the policy preferences of
particular policymakers. At the same time, care must be taken lest analysts push their own preferences under the guise of “objective” facts.

Collection, on the other hand, should reflect policy priorities, and covert action should be under the close control and scrutiny of policymakers. Excessive centralization may defeat both objectives. The intelligence chief should not have a policy role or a formal position as a member of policy bodies. But the control of clandestine operations requires a control that transcends the intelligence community and assures that policy and legal considerations are fully taken into account.

(c ) Improving the Quality of Analysis

This is the central challenge to reform. As the Senate Intelligence Report has pointed out, group think is a major danger. However, intellectual conformity and failure of analytical imagination are not the only sources of intelligence breakdowns. A major contributing factor is the inadequacy of the information base. This reflects shortcomings in trained personnel, the vagaries over decades of alternating emphasis and assaults on human intelligence, and also excessive compartmentalization. Since intelligence thrives on gaining access to secret information that is rigorously guarded by its possessors, and collection is not always successful in overcoming these obstacles, intelligence analysts are frequently forced to make analytical judgments with key pieces of information unavailable. Strengthening collection by improving human intelligence is one way of addressing this problem, but it can never solve the conundrum in a fully satisfactory way. What one should expect is that collection inadequacies are addressed properly, that analytical judgments are professional, and that available information is properly coordinated.

Encouraging different perspectives and alternative hypotheses is desirable. Yet not all hypotheses are equally sound, and some are rubbish. There is therefore need for a mechanism to both generate options and to establish criteria for choosing between them lest policymakers cherry-pick among competing hypotheses and select only those that fit their policy proclivities. There must be a systematic ability to make professional judgments as to which hypotheses should be discarded as inconsistent with the bulk of the evidence.

Finally, the critical shortage of human expertise must be addressed. We not only need more National Security Education Program funding, but we need more Americans studying abroad, becoming fluent in foreign languages and gaining improved understanding of foreign cultures through such an experience.
(d) **Information-Sharing**

Different components of the government have different missions and priorities that cause them to assign different levels of importance to protecting intelligence information. Law enforcement elements want to use intelligence to prosecute cases even if this will compromise the source. The intelligence collectors fundamentally mistrust the reliability of law enforcement elements in protecting the information, making them reluctant to share it. This is an inherent problem that can be minimized (but not eliminated) through good management. Good management requires that, when there are contradictions between using intelligence and protecting it, the decisions are made by an established procedure. Sharing should be optimized, not mandated in detail. To attempt to prescribe all the circumstances in bureaucratic or legalistic language would involve so much detail and so many exceptions as to defeat its own purpose.

**Conclusion**

The magnitude of the tasks outlined here suggests that Congress leave itself an opportunity to return to the issue early next year to permit a comprehensive approach.

I confess that my bias is toward coordination rather than centralization. The proposals for reform draw on the experience in building the current DOD organization. The DNI becomes the DOD, and the existing institutions for intelligence turn into the military services. But there is an important difference in the missions. Defense must build toward unified action; intelligence should serve coherence in analysis that aids the decision-making ability of senior policymakers.

But for present purposes, this is not the key point. I am not here to offer answers to the issues I raised. My recommendation to this Committee is therefore to adopt a procedure that permits a careful examination of the issues involved, drawing on the experience of men and women who have held key positions in the field of national security, many of whom are uneasy about the pace in which restructuring of the country’s intelligence is being pursued. Perhaps the task could be assigned to the distinguished commission dealing with the issue of weapons of mass destruction, which is scheduled to report in March 2005.