



The 9/11 Commission Report: The Unfinished Agenda Session 1: CIA and FBI Reform

Featuring:

- Former September 11 Commission Member Jamie Gorelick,
 - Former Attorney General Richard Thornburgh,
 - Former National Intelligence Council Chairman John Gannon, and
 - US News and World Report Senior Correspondent Chitra Ragavan
-

GORELICK:

Good morning. Thank you all for being here.

My name is Jamie Gorelick. I'm a former 9/11 commissioner.

And on behalf of the members of the board of the 9/11 Public Discourse Project, my friends and colleagues who were commissioners of the 9/11 Commission, I'd like to welcome you to the first of what will be a series of panels in the months ahead reviewing the recommendations of the 9/11 Commission and what has happened since.

We have a wonderfully distinguished panel and I'd like to move right to it.

The questions for us this morning are quite straightforward.

First, what has been done to implement the recommendations of the 9/11 Commission, and what remains undone? And therefore, what are the next steps?

Our topic today is the status of reforms under way at the CIA and at the FBI.

We have very well informed and articulate panel members today to help us explore that question, and I am very certain that we will have a lively discussion among us and with members of the audience, including the press.

So let's step back a little bit.

Last July, the commission issued its report on the facts and circumstances surrounding the 9/11 attacks. And we did not just look back, we also looked forward.

We made 41 recommendations to the president, to the Congress, to the American people, to make our country safer and more secure. And to our great satisfaction, the report of the 9/11 Commission struck a chord -- a deep chord within the American people and millions read the report and action flowed therefrom.

Congress responded to many of our recommendations. It stayed in session -- remarkably stayed in session during August, holding hearings during the recess on our work, and it spent the fall writing legislation.

And on December 17th, President Bush signed the Intelligence Reform and Terrorism Prevention Act of 2004 into law, and it contained a number of our recommendations.

So now to look forward. As you know, as everyone knows, no law is self-executing.

Last summer, my fellow commissioners and I resolved to stay involved, to do everything in our power to see that our recommendations would take hold. And we wanted to avoid the fate of so many commissions that do good work and create a brief ripple and then find their report and their recommendations slipping beneath the waves.

And so it was with this in mind that we made two decisions.

First, we created this 9/11 Public Discourse Project to educate the American people about the continuing need for reform. And we decided to issue a report card evaluating how the government has performed in implementing our recommendations.

GORELICK:

Today's panel is the very first step toward that goal.

It's the first in the series of at least eight public panels that will assess the progress of reform since 9/11 and since we issued our report.

Each panel will be chaired by a 9/11 commissioner and each will feature current or former public officials, prominent experts and knowledgeable journalists. Each will assess a different area of our recommendations.

What we learn in the sessions will be one of the sources of information that we will use in preparing our report to the nation and our report card later this year.

Today's panel focuses on the FBI and the CIA. They are, obviously, quite central to combating terrorism.

Some of the recommendations we made spoke to the entire community, particularly in the area of information sharing. But I want to take a moment to summarize the recommendations that we made that were specifically addressed to these two agencies.

We recommended that the CIA, one, rebuild its analytic capabilities; two, transform the clandestine service by building up its human intelligence capabilities; three, develop stronger language programs with sufficient standards and incentives; four, renew the emphasis on recruiting diverse operations officers who can blend more easily into foreign places; five, ensure a seamless relationship between human source collection and signal collection at the operational level; and finally, strike a better balance between unilateral and liaison operations.

For the FBI, we put forward a number of recommendations for building a world-class counterterrorism intelligence collection and terrorism prevention capability. And so our specific recommendations with regard to the FBI were: create an intelligence cadre, a specialized and integrated national security workforce, and make significant personnel reforms in the areas of recruitment and hiring, training and career advancement in order to develop that cadre; ensure that this workforce is focused on the counterterrorism mission, and in particular, make sure that national priorities are being carried out in the field; integrate analysts and agents, linguists and surveillance personnel in the field so that a dedicated team approach is brought to bear on national security intelligence operations; align the budget structure according to the bureau's four main programs -- intelligence, counterterrorism, counterintelligence and criminal justice services -- for better transparency in that allocation; and finally, report regularly to Congress in detail on the qualifications of its analysts and on the progress and ability of each field office to appropriately address FBI and national program priorities.

GORELICK:

I'm deeply honored to share this panel with three distinguished Americans, all of whom are well-known to me and each of whom has a deep knowledge of U.S. national security in general and, in particular, the reforms that are under way at the CIA and at the FBI.

I will introduce them in turn and ask them to speak for five to 10 minutes, and then we will turn to some questions that I have and then some questions that you have.

Our three panelists today are Richard Thornburgh, former attorney general of the United States; John Gannon, former chairman of the National Intelligence Council; and Chitra Ragavan, a staff writer for U.S. News & World Report.

I'll say more about each of them in just a moment, but I do want to take a moment to thank Chairman Tom Kean and Vice Chair Lee Hamilton for their leadership in structuring these sessions and holding them.

GORELICK:

And I want to particularly thank Lee Hamilton and his staff for making the Wilson Center available to us.

I also want to thank the representatives of the families of the victims of 9/11.

I cannot say enough about how meaningful to us it has been to have your steadfast support. Your efforts created the 9/11 Commission and you helped us get answers when we needed them. Your boundless energy and your determination helped pass the Intelligence Reform Act, and we commend your continuing commitment to reform.

Richard Thornburgh needs no introduction. He served as attorney general of the United States from 1988 to 1991 under Presidents Reagan and George H.W. Bush.

And I might note in that regard that 15 years ago he recommended that the Justice Department have a national security division, which proposal was found unacceptable on Capitol Hill. He was pressured then and he is pressured today.

He recently chaired a review of the FBI and issued a report called "Transforming the FBI: Progress and Challenges."

Dick, I'd ask you to comment on what you've learned about the status of reforms at the bureau.

THORNBURGH:

Thank you, Commissioner Gorelick.

Obviously, I'm here only to discuss the work of the National Academy Public Administration Panel that I've chaired in assisting the FBI transformation since the tragedy of September 11, 2001.

Now, you've asked that I focus particularly on FBI information-sharing practices and the state of its counterterrorism capabilities.

Simply stated, we believe that the FBI has improved substantially in both areas, but much remains to be done. Before getting more specific, however, I should add some context to the academy's involvement.

THORNBURGH:

In May 2002, Congressman Frank Wolf, chairman of the House Appropriations Subcommittee with jurisdiction over the FBI, asked the National Academy of Public Administration to participate in a review of the FBI reorganization that Director Bob Mueller had begun immediately after 9/11.

This included a temporary reallocation of FBI field agents, a new FBI strategic focus on preventing terrorist acts, and new priorities to guide FBI field operations.

At Chairman Wolf's request, the academy panel has continued to review and report annually on the FBI's efforts.

In June, 2002, the academy panel endorsed Director Mueller's proposed reorganization, recognizing that it was the beginning, not the end, of a long-term process of institutional and cultural change.

Among our observations was that the major information-sharing improvements were critical.

Underlying this observation was the imperative of recognizing the important distinctions that must be made between the roles respectively of conventional law enforcement in intelligence-gathering activities and the anti-terrorism effort.

Law enforcement seeks legally admissible evidence to prove a specific criminal offense in court before a judge and a jury.

Intelligence gatherers, on the other hand, seek enough information, whether legally admissible or not, to thwart planned terrorist attacks.

These tasks, obviously, are not the same. One is designed to punish those who have committed terrorist attacks after the fact. The other is designed to prevent terrorist attacks before the fact.

This is one of the reasons why cooperation between the FBI and the CIA, for example, was sometimes less than ideal in the past. Grand jury testimony and information obtained from court-authorized FBI wiretaps often could not be legally passed on by law enforcement for use by the intelligence community.

By the same token, intelligence information often could not be transmitted for use by law enforcement for fear of compromising the sources and methods by which it was obtained; that is to say by

jeopardizing the lives of undercover operatives or cooperating witnesses or by disclosing highly sophisticated electronic surveillance techniques in criminal trials held in open court.

Particularly in the wake of September 11th, it became quite clear that the American public would be understandably and justifiably outraged if told that information in the files of one government agency was not being fully shared with other agencies when the stakes were as high as they inevitably are in both the prevention and prosecution of terrorist activities.

THORNBURGH:

Under the provisions of the USA Patriot Act, and at the direction of Director Mueller, these artificial barriers are now being broken down.

In June 2003, the academy panel reported to Congress that while the FBI had made progress, we reiterated our earlier emphasis on the overriding importance of information sharing as the FBI transforms itself and becomes the lead domestic agency in preventing terrorism.

Our report added that the FBI must shift its culture from the traditional values of independence, determination, strong camaraderie and professionalism, to joint collaboration, inter-agency cooperation and information sharing.

Most recently, in February of this year the academy panel released a report based on its 2004 review of the FBI's progress in strengthening its counterterrorism, security and intelligence programs.

The panel, like the 9/11 Commission, was convinced that the FBI should remain as the key domestic intelligence agency and that it was making substantial progress in strengthening its domestic intelligence and information-sharing capabilities.

However, once again, we cautioned that information sharing had not yet been adequately recognized in law or standard practices.

Thus the academy panel endorsed the 9/11 Commission's recommendation that the president should lead a government-wide effort to bring the major national security institutions into the information revolution and coordinate the resolution of legal, policy and technical issues across agencies to create a trusted information network.

THORNBURGH:

The panel further recommended that the FBI component of this network should be implemented as soon as possible and be extended to state and local law enforcement agencies through an extensive FBI enterprise architecture.

The academy panel also stated its belief that the FBI had greatly strengthened its counterterrorism program through centralized leadership and a more active headquarters role in overseeing and coordinating counterterrorism cases; through integration of intelligence and law enforcement operations in headquarters and many of its field offices; through coordination with other federal, state and local agencies intelligence community, foreign governments and the private sector; through information technology systems; and through workforce realignment.

However, a number of these areas were identified as requiring additional attention, including several that relate to information sharing.

For example, the FBI terrorist screening center provides federal, state and local law enforcement and screening officials with real-time database checks to identify known or suspected terrorists and to coordinate timely responses by local joint terrorism task forces. However, the quality and consistency of information available to the terrorist screening center database were found to be uneven.

The academy panel recommended the rapid development of a single watch list of known or suspected terrorists and its use by all counterterrorism screening operations.

The academy panel also found that the FBI had made striking advances in its willingness and ability to work jointly with other federal, state and local agencies through its joint terrorism task forces.

State and local JTTF participants spoke of dramatic, positive changes in their working relationship with the FBI. At the same time, the panel found that the FBI faces a significant challenge in developing productive working relationships with this emerging network of state and local entities and with integrating a robust intelligence function into the FBI's mission.

One complication stems from the Department of Homeland Security's grant practices that sometimes seem to be at cross-purposes with FBI efforts to encourage joint operations.

THORNBURGH:

To resolve these concerns, the academy panel recommended that senior FBI officials meet with responsible state and local officials to resolve outstanding conflicts, particularly those relating to information sharing, and work with DHS and the Congress to ensure coordination of counterterrorism efforts in the field.

The FBI's intelligence program is threat-based, but constitutionally bound. It reflects the heightened priority assigned to counterterrorism and espionage, the increased importance of preventing activities inimical to U.S. security, and the increased delegation by the FBI of reactive investigations of many illegal activities to other federal, state and local law enforcement authorities.

The relatively new FBI Directorate of Intelligence has made progress in establishing an intelligence analyst cadre. Field intelligence groups also have been established in all FBI field offices.

The policies, procedures and staffing of these groups are still being developed, but they have already begun to improve the ability of the FBI to generate useful intelligence reports.

Like the 9/11 Commission, the academy panel recognizes that resources are scarce, that risk-based priority decisions and funding allocations depend upon accurate and timely threat assessments, and that the FBI has specific responsibility to identify, assess and communicate U.S.-based threats.

The panel recommended that the FBI continue to develop its capability to prepare and share domestic threat assessments and that it develop a strategic analysis production program in coordination with what was then the Terrorist Threat Integration Center and the intelligence community's National Intelligence Production Board.

THORNBURGH:

Of course, as a result of the changes wrought by the Intelligence Reform Act of 2004, in which the 9/11 Commission played such a large part, the former is now the National Counterterrorism Center and the latter now reports to the director of national intelligence.

The academy panel reported that the FBI has developed a plan to encourage information sharing between FBI headquarters and FBI field personnel, and for procedures to convert intelligence information into intelligence reports that will be shared with external agencies.

While the Directorate of Intelligence is responsible for sharing information with federal and international intelligence and law enforcement agencies, the field intelligence groups are responsible for intelligence sharing in the field.

Standing FBI intelligence requirements for international terrorism are Web-based and available to more than 17,000 law enforcement agencies.

Similarly, periodic publications and special assessments are required to include specific dissemination lists encompassing a wide range of customers.

While these steps are obviously important and laudable, the academy panel believed that the plan lacked sufficiently specific guidance on information sharing with the intelligence community, DHS and international organizations.

Sharing of counterterrorism information by the FBI clearly has improved at all levels, with the increase in joint activities playing a crucial role.

Nonetheless, the norms for information sharing were found by the academy panel to be largely ad hoc, with no mechanisms to enforce or promote sharing either through penalties or incentives.

THORNBURGH:

Unless formal processes are put into place, the panel feared that information sharing could erode if the current priority emphasis on terrorism abates in any way.

As a result, the panel recommended that the FBI develop regular processes such as tear-line products that promote sharing.

It specifically endorsed the findings and recommendations of the 9/11 Commission concerning the need for improvements in information sharing and the potentially helpful role that incentives and penalties can play in the process.

One promising development is the recent completion by the FBI of an Intelligence Policy Manual that deals with dissemination of intelligence products and encourages right-to-release and the use of tear-lines to promote sharing of information.

Under the guidance of Chairman Wolf, the academy panel is continuing to evaluate the FBI's transformation efforts.

This year, the areas of review include the bureau's human resources system, its field structure, the application of long-range budget and planning strategies to its mission, and the development of its Directorate of Intelligence.

The status of the bureau's information sharing policies, programs and practices will be significant elements of this review.

Given Director Mueller's continued emphasis on the importance of information sharing and the amount of effort the FBI is putting into its intelligence program, we would expect to see marked improvements in amount and quality this year.

In any event, however, the academy panel plans to prepare and publish its own objective assessment by the end of this year or early next year.

Thank you, Commissioner Gorelick, for the chance to appear with you this morning. And I'd be pleased to answer or respond to any questions or comments.

GORELICK:

There will be questions forthcoming. Thank you very much, Attorney General Thornburgh.

I would now like to introduce John Gannon who, in his long career as an intelligence officer, has held some of the most senior jobs at the CIA and in the intelligence community at large.

He was deputy director for intelligence, assistant director of central intelligence for analysis and production, and chairman of the National Intelligence Council, which is actually where I got to know John.

He was a key figure in setting up the intelligence function at the Department of Homeland Security. He was chief of staff to the Committee on Homeland Security under Chairman Chris Cox.

John's career spanned so many government positions that he has a unique perspective on the CIA.

And we look forward, John, to your comments. Thank you.

GANNON:

Thank you, Jamie. I'm pleased to be here.

What I want to do is bring some of that perspective that I have had, not only over an almost 25-year career in the intelligence community, but I was really privileged to work in the White House on the transition planning team for the Department of Homeland Security and then go on to the Congress to help set up the Homeland Security Committee, now a permanent committee of the Congress -- working that issue for two years, with that committee, obviously, having critical oversight responsibilities over the department and the intelligence functions related to it.

GANNON:

What I would like to do -- first of all, I would say to answer the five basic questions that Jamie outlined, I would say, yes, yes, yes, yes, yes. There is a lot of progress being made in a lot of those areas. There's a lot being done.

But that doesn't answer the question that would concern me the most is, Will it last? How do we translate what has been reaction to problems or reaction to pressure from the commission into real long-term strategies so that we can be assured that we are not only in position to cover the terrorism challenge but we're also in a position to cover all the other challenges that the intelligence community has in a world where priorities can change very, very rapidly and where current and operational requirements can very often overtake and trump the longer-term strategic objectives that we set out for ourselves?

So let me make four general comments. And I look very much forward to the question-and-answer period here because I think I always benefit from it and go home enlightened and, hopefully, you will perhaps benefit from some of the responses that I give.

So the first point is that I think a lot has been done. If you look at what has been done in the intelligence community, if you look at the homeland security where I worked, there's probably been -- more things have been done in the past three years than at any time since 1947.

Arguably, we have not had a domestic terrorism attack in part because of all those things that we have done, including the very strong offensive against terrorists abroad.

But, again, my point is that as I have observed it -- and most of it has been first hand -- a lot of what we have done now, as we look back on it, has been somewhat reactive or unfocused.

GANNON:

I think, in response to 9/11, actually we've done some things which I would argue have increased the problems that John Negroponte or that Porter Goss faces.

Some key points: I think we have perhaps put excessive structure in place as we try to respond to functional problems. And as I have moved around the community, I see precious analytic resources, that is expert resources, being stretched in a way that I think actually can be damaging to critical missions and functions.

I would also make the observation and try to make myself understood here that as I have looked at programs being built in the Department of Homeland Security and in TTIC and now in NCTC and not really shutting down other programs -- in other words, adding to structure -- what I have observed, as someone who spent most of my adult life managing and critiquing intelligence, is that we have gotten ourselves into a position where we are producing a lot more. Everybody's producing, but I think there's actually less qualitative analysis taking place in that area.

And that is an issue I think is recognized within, certainly, John Negroponte's operation. I think there are efforts being made now to deal with this.

But this is, again, a serious problem. Because we have many more people covering issues doesn't mean you have many more experts, or that you're going to get out of the system better analysis than we did before.

So that is, I think, a real concern.

Also, I would observe -- and, again, this is something that I think is being addressed -- I think after 9/11 we began with the idea that we wanted a more seamless, integrated effort; stronger, stricter, narrower sets of accountability.

But just in asking for terrorism briefings up on the Hill, I think what I observed is we've actually divided accountability more because we have more people doing it and I think that we still have to resolve the issue of who really is accountable for doing domestic threat analysis.

I don't think that is as yet resolved between FBI and Department of Homeland Security and now, increasingly, the TTIC community.

GANNON:

So, again, this is something that can be resolved, and I think it does have to be high on the agenda to get this worked out.

I think probably the best news, and I think a qualitative difference in meeting with you now as opposed to a year ago, is we do have a strong executive leadership now with regard to the intelligence community reform.

And I believe that it is really the executive branch that does have to take charge of this and make it work, because the executive branch is in touch with the people and the programs much more closely than anybody else can be. So I think we have to work with them.

And I think the leadership that has been appointed -- John Negroponte, Mike Hayden, Tom Tringar (ph), on the analytic side of DNI, and then working with Porter Goss at CIA -- these are all terrific appointments. And I have seen significant process and a significant increase in morale simply by the appointment of these people.

And that executive leadership, by the way, I think also has to create and develop the critical partnerships that are going to make this work. And that means John Negroponte, with the secretary of defense, with Mike Chertoff, who is I think doing a terrific job trying to baseline the progress of the Department of Homeland Security to see how it integrates into this effort and what needs to be done to change there.

I think the attorney general, Gonzales, I think the FBI director -- these are critical relationships to getting us transformed from reaction into strategy with regard to intelligence.

The last key point that I would -- well, let me add another one. I think we have also -- in the effort to strengthen the community and to strengthen intelligence community leadership, I think we have, unfortunately I think, confused the CIA mission to some degree. And I think that does have to be straightened out.

GANNON:

CIA had, in my experience, two core capabilities. One was in the all-source analytic area, where it really did have a repository of expertise that was second to none in the community. And that served not just the community, it served the president, including through the daily PDB process.

The second core capability being HUMINT, which I think is being addressed under Porter Goss. But there is some confusion now, as we have DNI now taking over the critical function of the president's daily brief, which was the major current analytic effort in the community, and then also taking over the National Intelligence Council, which had reported to the DCI.

So there is a question that has to be resolved. I think it's very important not only for the morale of the people working at CIA, who deserve, I think, to have clearer guidance here. But they also continue to be a very strong resource available to a CIA director or the DNI. But we do have to work harder in clarifying those lines of authority.

The last point is one that Jamie has heard me make before: that in my experience in the intelligence community, if I was asked what is the major reason that we have the crisis at 9/11 that we did, it is because of not just the problems in the intelligence community, it was the failure to align the priorities of intelligence community with the White House and with the Congress.

The Congress and the White House have a tremendous impact on establishing the priorities of the community, and of CIA in particular.

GANNON:

And I don't mention this to suggest that we should blame anyone else. I think the 9/11 Commission, I think, gave one of the best critiques of congressional oversight. It was a very critical critique. So that stands on its own.

But if we're going to fix it, I think we have to expect that John Negroponte, Porter Goss and other leaders will come up with an agenda. We don't want them to continue to work on a disparate set of changing priorities. We want them to identify what are the most important things that we are going to work at in the coming year, put some metrics on it, show progress on it so that the American people can see how things are improving and how the most important things are improving.

But for John Negroponte to do that, he's got to also be working on the same priorities that his bosses in the White House are working on and that members of Congress are working on.

And if you don't have that critical alignment of the Congress to the White House to the intelligence community, I fear that a lot of the good work that we're doing will be lost in the, kind of, unfortunately, traditional frictions that develop in Washington.

So I'll stop there and look forward to further discussion in the Q&A.

GORELICK:

Thank you very much, John, for those comments.

Our last panelist, but not the least, is Chitra Ragavan, who is a highly respected journalist for U.S. News & World Report. She has deep, substantive knowledge of the FBI and the CIA. Her articles on these agencies show her to be an astute and nuanced chronicler of how national security organizations respond to change, their successes and their shortcomings. So we look forward to her insights.

And we hope, Chitra, you can share those insights without outing all your sources.

(LAUGHTER)

RAGAVAN:

Thank you very much for having me and thank you to the Public Discourse Project as well.

Clearly the 9/11 attacks and President Bush's mandate to the FBI to prevent terrorist attacks, rather than just be a crime-solving agency, has created somewhat of a battle for the soul of the FBI and it's very unclear at this point who's going to win.

RAGAVAN:

Trying to get FBI agents to think like spies is turning into a much more difficult task than Director Mueller even anticipated. There's still considerable resistance, we found through our reporting, among FBI agents to this new mandate: putting counterterrorism at the top of the priority list.

There are many who believe that, just like communism and the Mafia, that some day Al Qaida might be a thing that they may have conquered and moved on to other challenges. And I think it's Director Mueller's big task to try push home the point that Islamic fundamentalism is something that the agency and bureau has to fight for the next few decades, if not longer.

Deputy Attorney General James Comey recently likened the culture of the FBI to the Marine Corps: that agents spend 20, 30 years in the bureau, and he said that the culture sets like concrete, and to change that is very, very hard.

And I think you can, sort of, see some of the challenges that Director Mueller is facing in trying to transform the FBI into a terrorism-preventing organization if you look at some of these facts.

I did some reporting over the weekend in preparing for this, and it's my understanding that the bureau has 200 unfilled counterterrorism positions right now -- agents and analysts -- and they're having great difficulty filling them partly because there is great resistance among agents to having to move to Washington -- since so much of the terrorism work now is at headquarters -- and that they really resent the director's efforts to try and move them where the needs of the bureau are. So there are 200 counterterrorism positions that still are waiting to be filled.

The Virtual Case File, to my understanding, is going to prove to be an even bigger disaster than has been acknowledged so far. And I think that as that unravels, you're going to really get some sense of how big a challenge the FBI faces in resolving one of the central criticisms that it confronted after the 9/11 attacks, which is how to modernize its information technology.

Director Mueller told us in the course of our reporting for a recent cover we did -- we asked him, "You know, you're four years into your tenure and the Virtual Case File is a complete catastrophe. And you're saying now that you'll be dealing with this in '04, another two or three years -- and it will be another two or three years before a replacement system is in place. Did you ever think you would deal this seven years into your tenure?" And he said, "I will be dealing with this all 10 years of my tenure."

But that doesn't answer the question of whether the information technology problems will be resolved when he leaves, if he's still dealing with it at the end of his tenure.

RAGAVAN:

So I think that's a very candid and revealing comment that he made.

The Directorate of Intelligence, which was created despite Mueller's resistance -- it was Congressman Wolf's idea, and he pushed it through when the 9/11 Commission was putting enormous pressure on the bureau as a way of salvaging the bureau's domestic intelligence mission -- the directorate is also facing enormous struggles in creating a cadre of intelligence analysts, training them, training the agents and analysts who are involved in these field intelligence groups and, also, to set up a very efficient form of intelligence reporting to other agencies and sharing information.

And I think that the directorate's relationship with the DNI, John Negroponte's shop, is going to be the source of a considerable amount of friction and power struggle in the coming months, and will also determine, to some extent, how successful the bureau is in changing its priorities.

Just a few other quick things.

There is some question as to whether the director's own management style has prevented him from getting bad news, such as the Virtual Case File collapse, and how much of that is contributing to some of the problems that he has in turning the bureau around.

And also, information sharing with other agencies such as DHS -- while information sharing has gotten to be considerably better, a lot of police officers, for instance, tell us that the biggest challenge they face is getting the FBI to share information with DHS and getting DHS to share it with them, because they don't trust this relationship because of this incredible rivalry and turf wars between the two agencies.

They're unclear as to how much information is being shared. And they also believe that, to a large extent, the FBI still is a very stovepiped system where information is highly compartmentalized. And I think that's something we should probably talk about, as well.

Again, thank you very much.

GORELICK:

Well, thank you, Chitra.

And thank you, John, and Dick.

We have a veritable feast of issues laid before us and I'm going to try to start off the questions both on the FBI and CIA and also on the relationship between them.

So let me start where Chitra left off.

Quite frankly, the 9/11 Commission forbore from more drastic recommendations with regard to the FBI, such as recommending pulling out the intelligence function from the bureau, in order to permit the director to follow the course that he had set.

And so, I think it's critically important for us to focus on what the reality is on the ground, whether we're making progress at the pace we need to and whether the director and the senior leadership of the bureau see the reality on the ground or whether it is filtered to such an extent that it is problematic.

GORELICK:

The Virtual Case File problem, I think, is interesting in and of itself, and also is at least possibly emblematic. And I'd like to focus a question to both Chitra Ragavan and Dick Thornburgh in that regard.

We have a situation in which the inspector general of the Department of Justice warned Congress well in advance of when the bureau decided that the Virtual Case File system was going to fall of its own weight that that would happen.

And, Chitra, you reported that there were senior members of the FBI leadership who said, you know, "There's no way the director and his colleagues can't know that this is a problem."

So, I guess I would start off, Chitra, with you, and then ask Dick, as well, is the FBI as a cadre saluting the direction that the director is setting? And does the director and his senior-most colleagues in the leadership of the bureau have good information about what is happening underneath them in the field operation of the bureau?

And let's start specifically with the question of when you believe the bureau's leadership knew that the Virtual Case File system was not going to work.

RAGAVAN:

The new chief information officer of the FBI, Zal Azmi, when he first came on board in late 2003, quickly realized there were going to be severe problems with the Virtual Case File.

He, however, gave fairly mixed messages to the director, I would say January 2004, when he said to the director, "Sir, if SAIC can pull this off, this will be the best information technology system that the bureau will have ever had."

And the director said to him, "What do you mean, if SAIC and the bureau pulls it off? What does that mean? I don't understand."

RAGAVAN:

And Azmi was new to the job and he didn't feel comfortable asserting himself much more than that, but that was the first time I think the director had a clear sense that it all wasn't well.

It became quickly clear that the bureau had tried to move so fast on this system that the contractor, SAIC, had hired a whole different bunch of engineers to set this up, the software programs, but in the process they created these silos that could not speak to one another.

So even though they had this new system, once again it was going to be a very stovepiped compartmentalized system that wouldn't do the job.

And then the director and Zal Azmi realized that they had an even bigger problem, which was the transition from the old system to the Virtual Case File was going to be a complete transition from one system to another. It was not going to be a phased-in transition, which created an enormous problem because what if the new system crashed in the process of transferring 30,000 files or whatever it was they had to transfer? How could they then access the back-up data from the old system? And they didn't have an answer to that.

So one after the other, it became clear to the director that things were not as they should be.

GORELICK:

When was this?

RAGAVAN:

This would have been in the spring of 2004.

What Azmi says is they knew things weren't going right, but they didn't have enough proof. So very much like a crime-fighting agency, they went about collecting the proof, they say.

So then they started doing the actual, sort of, investigation into whether or not the system would work. And Azmi didn't feel confident -- on his own saying to the director, "This thing is dying."

Just one last thing. In the summer of 2004, a lot of us reporters covering the beat started to hear rumors that the Virtual Case File was dead. So in the course of my reporting I had asked senior Justice officials if this was the case and did the director know about this in the summer of 2004.

And the word came back to me -- some of these officials I think went back to Mueller and asked him, and the word came back, he said, "Well, it's going to be a challenge, but we're going to make it work."

So I think he was far more optimistic than perhaps he should have been. And then, you know, when the reality hit that it just simply wasn't going to work, by then, Congress had been given hundreds of optimistic briefings, as had the 9/11 Commission.

GORELICK:

Well, this, to me, raises a question really of the connection between the field and headquarters of the bureau because as, Attorney General Thornburgh, you point out in your report, the cultural changes in this organization need to be very deep and very wide.

Do you have any observations on the question whether, to put it bluntly, the field is saluting?

THORNBURGH:

A number.

First of all, with respect to the Virtual Case File project, there's no getting away from the conclusion that it's an unmitigated failure. And I think it's, while useful to look back and affix responsibility, important things is to move on to create this very important capability that the FBI must have to carry out its changed mandate.

With regard to the ability of the director to have insight into its progress or lack of same, one of the major things that frustrated us in our, kind of, unofficial monitoring role was the constant changeover at the supervisory level within the FBI during the last four or five years.

The fact of the matter is that we would hold periodic meetings with FBI leadership, and almost inevitably the person that we spoke to in meeting number one, who was in charge of area A would not show up for the second meeting because he'd been replaced by somebody else.

THORNBURGH:

These are all competent people, but there seemed to be an unnecessary amount of flux at the leadership level. And, unfortunately, that seems to be true in the field.

I've been working with the FBI in one capacity or another for the last 35 years. And I have really been quite taken aback by the figures in our report that indicate the median tenure of a special agent in charge in the FBI is 15 months, and only four of those SACs have served longer than Director Mueller.

Back in the old days, SACs were much more extended in their tenure and developed much deeper roots in their community than is the case now.

Furthermore, at headquarters -- and this gets to the point I made earlier -- the average tenure of an SES at headquarters is now 13 months; none of whom have served longer than Director Mueller.

So the difficulty in having the director as the focal point of all the information coming up through the system is compounded by the fact that the players seem to have been constantly changing.

We're assured now that that is not going to be the case, necessarily, any longer.

GORELICK:

Were you given any reason for that turnover?

THORNBURGH:

Not really. It just seemed to be part of this massive change in assignment and the accompanying cultural change and not a little burnout involved in the high-intensity effort that was being made.

THORNBURGH:

Let me say this: As I said, I've worked with the FBI for a long period of time. Their difficulty is from making a shift from being what everyone acknowledges to be the preeminent law enforcement investigative agency in the world, bar none. And I'll defend that proposition, I think, forever -- but to make the kind of shift that's involved in their change in character and assignment is very taxing on everybody involved. And I think part of this rapid turnover is due to that.

In terms of relationships between the field and the Washington, there has been a sea change. There's much more direction from Washington, in this counterterrorism field particularly, of necessity. And this taxes, again, the old -- what Jim Comey called the Marine Corps-type mentality within the bureau.

One of the things that may be positive in an ironic way is that as of today, 50 percent of the field agents in the FBI have been on the job for less than five years. So that there's been a chance to inculcate new culture, new values, new directions into these younger, less experienced agents, if you will, to accommodate to this change. But it doesn't come easy. Any organization that any of us have been a part of over our careers would have an equally difficult time, I think, adjusting to such an enormous change in the directions that are emanating with regard to the mandate of the FBI.

So I think, getting back to your original inquiry, that the director is well-aware of what these challenges are. He's a man of resolve. And I think the fact that he's welcomed this panel's outside criticism and made available to the 9/11 Commission and to others and of necessity to the Congress a no-holds-barred assessment of what direction they're going bodes well for the future.

THORNBURGH:

I think an optimist would say that it would take the balance of Director Mueller's 10-year tenure to accomplish the kind of change that he wants, but I don't think anybody doubts the resolve that's present to get that job done.

GORELICK:

I want to get John Gannon into that conversation, but I would note that in the report and elsewhere it's been reported that there have been six chiefs of counterterrorism at the bureau in four years, that 22 percent of the analysts interviewed indicated that they would not be staying beyond five years, and that at least between 9/11 and 2004, while the bureau hired 487 analysts, it lost 361.

So this issue of churn and turnover and changing, shifting responsibilities is one I think on which we all should focus.

THORNBURGH:

Let me just say, good analysts are like the baseball free agents, you know. I mean, they are in such short supply and there's such a high demand for them that it's a highly competitive environment.

And the bureau is somewhat hampered by its historic procedures for hiring which are being addressed like so many of the other problems. But the length of time between an interview and an appointment is inordinately long in the bureau as compared with some of the other competing agencies.

GORELICK:

I would like, at a point here, to get back to the question of what is done with the analytic capabilities that the bureau has.

But I do want to get John into the conversation.

GANNON:

Thank you, Jamie.

Let me say in most of my intelligence career, I worked very closely with FBI, have valued colleagues and friends there, have great respect, as Dick says, for the investigative law-enforcement capabilities of FBI.

I would say simply in my observation, both from the intelligence community and then also from the Hill, is that the issue of FBI meeting an adequate standard for both intelligence collection and analysis in my judgment is, first and foremost, an investment issue. And FBI has not made the adequate investment.

If you go to CIA, we have at CIA -- we had four, now three directorates. I managed the Directorate of Intelligence. I recruited, I trained, I deployed very different people under very different kinds of systems to meet a particular objective for analysis.

GANNON:

The Directorate of Operations; they recruited, they trained very different kinds of people. They had a career service, which put incentives for those people to develop those particular skills in those areas.

And if I were -- if we had left, I think -- not created a Directorate of Intelligence that had these separate functions and these separate authorities, reporting directly, in my case, to the director and then onto the president, most case officers in the field would have regarded analysts as carpet dust.

When you have a separate directorate and you have the capability to develop these authorities, you're able to achieve, I think, the mission that is set out for you.

GORELICK:

Well, that's a very good segue...

GANNON:

The FBI has -- I don't believe -- has not done that. And my observation is that there is a program for analysis in place. I don't believe it is adequate in terms of the structure that would require you to reduce -- either to do collection or do the analytic work.

I think you have a terrific leader in Mo Baginski there. I do not believe she has been given adequate authority to do the job she has to do.

And I still continue to believe, well, within FBI, if you are not an agent, you are furniture. And, as long as that ethos is there, I think the respect for an analytic capability, which is not just going to work for the law enforcement and the investigative capabilities of FBI, but it also is being structured to challenge it, then I think we will continue to have this problem.

But, to me, this is not an unresolvable issue. I think it is a question of getting adequate investment in place to build the structure and function you need for an analytic and intelligence...

GORELICK:

Well, let me follow up on the dust and furniture metaphors here.

The WMD Commission concluded that the -- this is the Silberman- Robb Commission appointed by the president to look at our intelligence capabilities -- concluded that the FBI had not constructed intelligence programs to promote integrated intelligence efforts.

And, in addition to citing other problems, two of the issues that it focused on, John, were, one, the one you noted, that the intelligence director, Mo Baginski, did not have adequate control over the field, and, two, that the analysts were being treated like clerks; that they did not have adequate status.

Do you want to comment on that? Do you have a view on those recommendations or that conclusion?

GANNON:

I think those observations continue to be, I think, accurate to a large degree. I think there is a lack of appreciation within FBI for what an analyst is elsewhere in the intelligence community, what the investment in their expertise should be and then what authority they should have when they do develop that expertise -- their ability to influence debate and outcomes.

There are, again, terrific people within FBI, but I think there is a sense you can almost make anybody an analyst -- you can make a clerk, almost get somebody off the street and they can serve this function -- without recognizing that simply isn't the case. To develop the kind of expertise you need to deal with the counterterrorism problem, that takes time, effort, money to do it.

GORELICK:

Dick, do you have an observation?

THORNBURGH:

One of the areas -- and this is a work in process to be sure -- one of the areas we're going to be focusing on through the NAPA panel this year is the whole resources structure within the bureau, which was generally acknowledged to be sub-par. And that'll including looking at things like the status of analysts within the organization; whether there is a career track that is promising for those who are considering the FBI as an analytic career; the hiring processes which I mentioned early, which are extended and often an inhibitor; and the pay scales.

Presently, an analyst can achieve a level within the bureau of GS-14, and then, in order to advance, has to become in a supervisory position. And that does not necessarily militate toward making the highest and best use of the people that you have recruited as analysts.

So all these things are going to be looked at constantly. The shortcoming in this area is notorious, well-known, and I think there's a determination to see that it's addressed.

GORELICK:

One of the issues that John raised in his comments that I'd like the other panelists to comment on is this: Threat assessments are a notable weak point in our domestic intelligence capability; actually determining what the threat is, where it might be, what to tell the American people.

GORELICK:

The WMD Commission found that there is both a lack of capability in this regard and a confusion as to roles; that is, whose job is it? Is it the FBI's role, is it the CIA's role, is it the Department of Homeland Security? It recommenced that the FBI have that role.

And so my question for all three of you, but let me start with Chitra's end of the table: What is your view on that subject as to who has the capability and the disciplines necessary to incent both intelligence gathering and cooperation in putting together an actual threat assessment?

RAGAVAN:

I think it's still pretty fuzzy. I think there's quite a few people in the bureau who think that perhaps the bureau is being too ambitious: that they want a lot of responsibility, that they as yet don't have the structure and the capability, the information technology system, the information-sharing system to be able to do.

So if, for instance, they had the primary role, then would they be in a position to actually, if they don't have the right computers, for instance, be able to get the information out quickly?

We spoke to people who said that this compartmentalization problem still continues. And, for instance, the FBI has 14,000 ongoing terrorism investigations, but officials in Homeland Security and other intelligence agencies say they don't have a clear picture from those investigations as to what the threat might be to the United States.

You know, are there cell structures in the U.S.? Are they engaged primarily in fund-raising? Are there operational cells? And regionally, you know, what should agents be looking for in their own areas?

They feel that the cohesive picture is missing and that for every page of information that the FBI shares with other agencies, there's 10 or 15 pages of information that lie buried under the surface.

So those are at least some of the perceptions, if not the reality, that the FBI is having to confront, even as it tries to increase its responsibilities in terms of domestic intelligence gathering and sharing with its other intelligence agencies.

GORELICK:

John, do you have a view?

GANNON:

Yes. And this relates, I think, to some of the comments I made in my opening remarks.

GANNON:

I think this is an issue where we have, in an effort to actually converge accountability, we've actually created divided accountability.

The Homeland Security Act made it very clear that, you know, the Department of Homeland Security was going to be the primary government agent for fusing data with regard to foreign and domestic threat; that it would integrate foreign and domestic analysis; and it was going to be the primary interlocutor with state and local governments in communicating terrorism threat information to them.

I think the FBI challenged that very early on. We had the creation of TTIC, which to a lot of us looked like it was assuming some of the same functions that the department under the Homeland Security Act.

That, I think, added to confusion and it also added to the problem of limited resources. Where do you put the resources in developing new structures if you are one of the existing intelligence agencies?

I think TTIC won out in the early battle. I think NCTC is winning out. But I would also argue that NCTC is not there yet. It does not yet have the people in place, it does not yet have the full cooperation of the agencies who are involved in this joint venture.

And I think to some extent, as I have observed over the last 10 years, the decentralized demands for analysis, demands for a distributed model for analysis in the defense community and in the intelligence community, the creation of a single point of success in something like NCTC I think goes -- it puts you in a position of permanent tension with the decentralized demand.

So I think one of the things that we have to do in addition to clarifying the lines of accountability is I think we have to really clarify what the real expectations of NCTC are. I think they are now excessive. And I think there is a tendency certainly on the Hill to look at all the confusion that's out there and say, "Yes, but NCTC is going to fix it. It's going to fix it."

I don't believe from my own experience in the analytical world that the NCTC can do all the things that we expect it to do.

FBI, I would have to say, has -- I mean, just in the world of the way bureaucracies function, has not been particularly helpful I think with regard to the Department of Homeland Security. I think it has

challenged the authorities that, I think, legally, the department had in terms of sharing information with the public.

GANNON:

And I think the fundamental problem for FBI is that it has tended to claim very aggressively the authority to do the domestic threat, yet it has not demonstrated great competence in doing it.

And I think the initial efforts, to me, as someone who has reviewed a lot of threat assessments over the years, the FBI view was: Progress is made by the number of cases we can show you working on the counterterrorism threat. That is not, of course, the way you would do a classic intelligence threat.

Again, progress has been made. But I still believe, until FBI really has a robust, independent analytic capability within FBI, it will continue to fall short -- and it is.

So the result is that we have an NCTC that is not yet there; struggling and doing well in what it's doing, but still not having that integrated capability that Congress hopes it will have.

We have FBI, again, claiming the authority but not really, I don't think, living up to our expectations.

And the Department of Homeland Security which, unfortunately, has been eclipsed and sidelined, to a large degree, in terms of the responsibilities that it still has under the Homeland Security Act of November, 2002.

So a lot of confusion has to be resolved. I think the review is now being done by Mike Chertoff. I think we're aware of these problems and I think we're going to see some leadership to deal with these issues.

GORELICK:

Before I turn back to Dick for a moment, I want to follow up, John, on one question.

As I read the reporting, the National Counterterrorism Center, which we, on the 9/11 Commission, envisioned as a very important place for both the targeted collection of information -- not just the collection of whatever information might be out there, but the targeted collection of information -- and a place in which joint planning could be done to look across the government to bring together all of the resources -- that the director of the NCTC resigned in the aftermath of failing to get a green light from the leadership of the intelligence community that it would, indeed, have the lead and feeling that the NCTC was, indeed, sharing the lead with the Counterterrorism Unit of the CIA and many other entities.

GORELICK:

Is that your view of what occurred? I'm passing it on our colleagues in the press.

GANNON:

I don't know that. I can't comment. I just have not had access to that information.

I do believe that NCTC now does not yet exercise the authorities that the 9/11 Commission or even the legislation, the Intelligence Reform and Terrorism Prevention Act, intended for it to have.

And I think the FBI continues to, I think, maintain its claims on domestic threat analysis. And in briefings I've had from NCTC, they defer to FBI, rather than...

GORELICK:

Is that right?

GANNON:

... state what I should be their authority to give me the integrated briefing. They have not done that.

So I think there are problems there. I think NCTC did not get the people that it requested, either from CIA or from FBI. Some of that, I would have to say -- certainly, I know the FBI case well. Some of it is a resistance, again, which I think deals with the limited expert resources that are available.

So it isn't just resistance from CIA because of turf. It is also because people see their critical programs being degraded in giving up people to a new center. And that is an issue of limited precious resources, not just of people behaving in selfish, bureaucratic ways.

So this is, again, the problem of managing limited resources that (inaudible).

GORELICK:

And yet you observed that we have created new entities without putting any others of them out of their misery.

GANNON:

This is true. Or not -- you don't have to put them out, but you do have to figure out how it fits in a larger piece. There is no clear strategic vision how all of this is supposed to work in one large piece.

GORELICK:

Dick, in your report, you issued what can only be called a clarion call for senior level -- as in the president and his most senior advisers, because they're the only ones with the overarching authorities over all these agencies -- to clarify roles, to clarify who gets to share what information, and to mandate an overarching IT structure.

Would you like to comment about that and how it relates to this issue that we've just been talking about?

THORNBURGH:

It directly relates to the issue of threat assessments. There's no more important product of this whole process than the threat-assessment capability.

And for the time being, I guess, when the question rises, "Should the FBI carry this out?" the answer has to be, "As compared with whom?" And, in spite of the fact there are a number of candidates out there where this might be lodged, I think for the time being that the bureau, for whatever its shortcomings may be, is a logical repository.

Part of the difficulty is in the homeland security statute. It can be read as lodging the threat-assessment responsibility within DHS. It can also be read as lodging it within the FBI.

And the communications lines are quite different. DHS communicates threat assessments, it is argued, to public officials and the public, and the bureau to law enforcement agencies. So you have a crossing and mixing of lines of communication that can't be productive.

That seems to me, consistent with the recommendation that both the commission and our oversight group made, an occasion for executive leadership, and, I suspect, should be at the top of the list for Director Negroponte in his review of these various functions.

A lot of people don't understand what a threat assessment is. For example, you look at infrastructure, you get a lot of assessments of vulnerability, but that doesn't translate into threat assessment. Threat assessment is a highly sophisticated process, which can be carried out only with the very best in intelligence and the best in analytic capability, which is, admittedly, in short supply.

THORNBURGH:

So there's a real vulnerability and should be a high priority in resolving this very issue and making available to the person who's given the responsibility -- the agency that's given the responsibility the necessary resources to get the job done.

The collection of intelligence, even its analysis, is not worth much if it's not able to be translated into realistic threat assessments that provide guidance for the application of resources designed to prevent terrorism.

GORELICK:

So if I can summarize this part of our discussion -- and, certainly, this would be something that we would want to take back to the members of the Public Discourse Project for our consideration and our report card -- is that we clearly need greater clarity as to who is doing what.

We tried to lay that out in our report. We've now had a year of discussions and legislation and we have now got a DNI stood up. But we need to have resolution of who is to do what and we need the proper resourcing of those entities.

One issue like that, Dick, that you raised in your report, is that the incentives to sharing information that come with Department of Homeland Security, the state and local law enforcement are, in some respects, counter to what the FBI is trying to do, so that you have two agencies, both spending a lot of money, both with ample resources, marching off not exactly in tandem.

And I'd like to ask you about that and also ask Chitra to comment on that.

THORNBURGH:

The principal vehicle for cooperation between the FBI, other federal agencies and state and local agencies is the joint terrorism task force. And these have been, I think, by common consent, remarkably successful. In terms of resources prior to 9/11, there were 912 positions available within the JTTFs; there are now 3,371. And these have become a working part of the anti-terrorism effort to a very positive degree.

On the other hand, there are areas of shortcoming. The failure of the FBI to adequately communicate with its counterparts in the federal government or state and local agencies is, obviously, an FBI responsibility. But there are areas where FBI agents and management told us that there are state and local agencies that go their own way.

And there is a skewing of the funding by DHS, probably prompted by the familiar log-rolling process that makes sure that everybody gets something. But it seemed to us to be logical and compelling to attach a condition to DHS funding of any state and local group that that state and local group become a part of and effective and integral contributor to the joint terrorism task forces in its area.

That's a very simple thing that we think could be done to ensure that these are not going their own way or working at cross-purposes.

So that, I think, in the grand scheme of enormous challenges we're talking about is, kind of, a no-brainer to ensure that there's closer cooperation between operations that are funded at the state and local level by DHS and their federal counterparts.

GORELICK:

Chitra?

RAGAVAN:

This dueling mandates, with DHS having to alert the public and the FBI having to prevent attacks and to follow criminal leads, is causing enormous problems.

It's really central to the issue of information sharing or lack of it between the two agencies because if the FBI shares information with DHS, it very quickly gets out, as we all know, because the DHS feels obligated to inform the public.

And, as you remember, earlier this year, that happened in the case in Boston, where there was that false threat about the Chinese smugglers who might be bringing a radioactive device to Boston and to New York. And it generated an enormous furor when it turned out not to be the case.

But then, the FBI and DHS and police were pointing fingers at each other saying, "How much should we have shared? How quickly did we unnecessarily warn the public?"

So it's really an issue that has to be resolved. And I'm not sure there is a resolution to it.

In terms of the task forces, clearly, there's an enormous amount of information being shared through these task forces. But there are some intelligence officials who feel that it also gives the FBI a strategy not to share information because whenever there's an investigation open, the FBI, essentially, task forces it and puts the investigation in the bowels of the FBI and says, "Look, we'll create a task force and then we'll share the information with you."

But then, subsequently, the information sharing is not quite what is desired.

So I think that's something that needs to be worked out, as well.

GORELICK:

Does that mean that the information stays with the individual members of the task force but can't go back to the local police force that is, quote/unquote, "part" of the task force?

RAGAVAN:

That's right. So, for instance, police and DHS might know how an investigation was begun, what the threat was that began the investigation, but they don't know how it was resolved in the end and what became of it and what picture emerged as far as the intelligence that was obtained as a result and how they could use it in the future perhaps to prevent other attacks.

THORNBURGH:

I would suspect those problems are idiosyncratic, though. I don't think that reflects the overall structure that's intended for the JTTFs.

RAGAVAN:

Probably. But it's just something that has come up.

THORNBURGH:

Yes.

GORELICK:

Chitra, before we turn to questions from the audience, and particularly your colleagues in the press, I was wondering if you might take the rare opportunity to take off your press hat and pretend you were Bob Mueller for a day.

So you're an ex-Marine and you're running the FBI: What are the top two things you would do differently today than you might have done yesterday?

RAGAVAN:

I'm not sure I would want his job for all the money in the world. So I think I'll stick to my reporting skills.

(LAUGHTER)

But, clearly, he has an enormous challenge. How to get information in a large bureaucracy, such as the FBI, I think is an enormous, sort of, problem. And we keep hearing that there are too many gatekeepers; that the FBI is a culture in which the director is like God and no one dares to challenge God or give him the bad news.

And so his big challenge has been to manage his top-tier people and also to prevent this resolving door problem so that bad news information gets to him in a timely fashion so that he can then deal with it. And I think that's something that he is having to deal with.

RAGAVAN:

I think one of his biggest headaches is going to be dealing with the Virtual Case File. I think that if by the end of his tenure the information technology problems have not yet been resolved, then the question is what legacy will he be able to leave behind and what will he be remembered for? And also, how that's going to lead into our efforts to try and prevent the next terrorist attack.

GORELICK:

John Gannon, if you were Porter Goss, what are the top two or three things you would do that you think need attention within the CIA?

GANNON:

Well, first of all, I think I would want to work with John Negroponte to see that I was actually a member at this corporate board. And I do think, as John Negroponte moves forward, he's not going to be able to achieve results in the intelligence community just simply through MOUs or delegating to lower levels, including the things like information sharing.

I think at the end of the day, you know, information sharing, for example, is about having the systems to do it, it's about having a policy in place and MOUs in place; but in the end, it's about leadership.

What I have seen over many, many years is that it fails when you do not have leaders who are, on a continuing basis, monitoring the progress of issues that we deem, hopefully as a corporate board, to be a very high priority.

And I would just remind everyone here, coming out of the intelligence community, you don't go to work every day in the intelligence community with the idea of, "What can I share?" It's, "What can I protect?" That is the idiom of the business.

So if you want information to be shared, it has to be very clear to people, you know, what authorities they do have to share it. If you want a quality sharing -- and I pointed out early on, everybody is now producing more stuff. It's just a simple axiom that more information is being shared. The question is, is it the right information, is it the critical information, that would really make a difference in preventing a terrorism attack?

To do that, if I were Porter Goss, I would want to be at a table to make sure that John Negroponte is working with me and with Mueller and everyone else involved in the information sharing business.

But I do think the fixing of HUMINT is a critical issue. And this has been discussed ad nauseum. But I would also say that I have a very strong belief, having, certainly, worked around the issue of HUMINT for much of my career, that improved HUMINT is an issue of strategy, not numbers.

And that means investing for the long term and what other priority areas do we need to go into? How do we develop the language capabilities, the access and to what access? With what liaison support? This can be done.

This gets back to the central point of if I were Porter Goss, I would want to make sure that John Negroponte is aligning our priorities for HUMINT improvement with the White House and with the Congress. Because there were efforts back in the mid-'90s to do -- out of embassies -- efforts to do what I thought were pretty creative approaches.

GANNON:

Those efforts ultimately were submerged in the priorities that successive administrations and the Congress had that were different.

And it would not surprise you to know that the intelligence community does what it's told by administrations and by Congress.

So getting, again -- and this is a 9/11 Commission priority, which I hope it will -- it's the most difficult one to deal with, but I hope you will not get away from that, because to me that is the fundamental to success or failure.

Just quickly, I think if I were a reporter I would want to know, again, to what degree the analysts at CIA still under his authority, what role are they going to play in a new PDB process, which represents a great opportunity for John Negroponte to produce a much better system and process in getting the best available information and analysis to the president. But he's now sitting there with a very strong analytical capability. How does that get integrated?

Training is critical. The intelligence community, with CIA participating back in 2001, recommended the creation of a national intelligence university that would integrate training.

I think that there are many common needs across the community with regard to language training, with regard to collection management capabilities, that are not specific to signals intelligence or imagery analysis or all-source. They are common needs. And there's not only an opportunity, but I think an imperative to work toward that.

Collection management is an issue where CIA, again, has a major contribution to help the intelligence community develop systems where new policy-makers can come into this town and figure out how you avail yourself of \$40 billion worth of assets to help you do your job.

GANNON:

It is still a mightily confusing and inefficient process.

The last thing I would say is that, in the science and technology area, I think if I were Porter Goss, I would be making the point very strongly that the intelligence community I think is woefully behind in its understanding, not just, frankly, of existing technology, but particularly the newer technologies with regard to the biotech revolution and revolution in material sciences.

Even the IT revolution, nanotechnology and all those -- I think there's a real need for almost a historic new relationship with the scientific community, and I think CIA, as a center of all-source analytical capability ought to be pushing that.

GORELICK:

Let me stop you right there because, before I...

GANNON:

I just finished, actually.

GORELICK:

Oh, good.

(LAUGHTER)

How timely.

THORNBURGH:

That's a good place to stop.

GORELICK:

How timely.

Before I turn to our former attorney general and ask him to play John Negroponte, I did want to ask one question about a follow-up, John, on the issue of aligning resources and priorities.

One of the complaints that we've heard is that resources within the CIA are stretched thin because of Iraq and Afghanistan, leaving the some 26 million Muslims living in Europe, for example, largely uncovered -- or too uncovered from the point of view of the intelligence community.

Is that the sort of alignment issue that you are referring to?

GANNON:

It is. And I don't want to belabor this, but I would tell you, when I left the intelligence community -- and the 9/11 Commission has done, I think, a very good job of documenting that terrorism was not a priority for our Congress -- yet Congress, in dealing with me as a chairman of the National Intelligence Council, had two issues it was extremely worried about.

One was national missile defense. And the other was China's military modernization. And we were being hit very hard.

My point to you is that those are the issues -- because we are being pushed by the Congress, that they become priorities. Terrorism was not.

But then, in some of the criticism that Congress has done since, they have come back and said, "You should have done more strategic work on terrorism." And my reaction has been, "I wish I had one of those jobs where you can have it both ways."

But I think this is critical that John Negroponte establish a relationship with the Congress and with the administration where they are -- I used to go out of the gate here -- working on the same priorities.

And they should argue about the priorities and date the priorities, but not inflict on the intelligence community their conflicted issues on the priorities.

GANNON:

I will also say, in addition to the larger Muslim issue in Europe, I think China is a huge issue. I mean, I think this is where the Congress, to some degree, was right back prior to 9/11.

I think China has continued to grow as an intelligence challenge and not necessarily as a rival, but as a competitor to the United States. I think that relationship is huge. And I would say that, as a government, supported by an intelligence community, we're not paying adequate attention to it because we have been so diverted by the issues of the global war on terrorism.

GORELICK:

Thank you.

And very briefly, Dick Thornburgh, before we turn to the audience, if you were John Negroponte, what would your highest priorities be waking up tomorrow?

THORNBURGH:

Probably find my successor if I were in that position.

(LAUGHTER)

I think one of the things that the DNI might profitably do is to say to all of his constituents, "Take a deep breath, folks, and tell me how we can help you do your job."

Now, there's a little bit of guile built into that question, because I think the answers that would be elicited would clearly identify areas where there is conflict or gap or irresolution with regard to what the job really is.

With regard to the FBI, I think it is important for an effort to be made to stabilize the management structure, to -- and I echo John's very clear and clarion call for a maximum use of today's technology in law enforcement and intelligence gathering, something that has been -- I always thought there should be an agency -- when I was in the department, we had DARPA, the defense research capability, and I always thought there should be a LERPA, which was the law enforcement research products agency.

And there is very little systematic application of science and technology to these areas. The bureau now has a science and technology board that is charged with this responsibility and I think that deserves the maximum of backing.

Director Mueller should be encouraged to embody the dissemination policy that has just been adopted in their new manual: Share by rule, withhold by exception. Pretty clear, pretty clarion. And that has to be disseminated and honored within the organization.

The whole human resources area that we referred to at some length this morning, having to do with recruiting, with status, with pay, with the time necessary to go through the process of putting people on board, and with particular attention to a new animal for the FBI, the analyst capability which is so important in tying intelligence that's generated into useful assessments.

And I think that, at the same time Director Negroponte is asking this question of his constituents, I think that each of those constituents ought to be forthcoming with a very strong commitment to work with the DNI, who is identified as the lynchpin in this intelligence-gathering operation, to help him solve his problems. There's no reason why it can't be done if the type of leadership that we expect is forthcoming.

So I remain a glass-half-full assessor of this situation.

GORELICK:

You have to, or you do quit the next day.

(LAUGHTER)

All right. Let's move to questions from the audience.

QUESTION:

I'm Clark Ervin. I was the inspector general at the State Department at the beginning of the administration, and until December, the inspector general of the Department of Homeland Security. And I'm now at the Aspen Institute.

QUESTION:

So, to get my institutional bias out of the way, I wanted to mention that.

But it seems to me that both you, Commissioner Gorelick, and you, Chitra, have implicitly made a very eloquent case for elevating the role of inspectors general, because only they have the legal authority, responsibility and institutional incentive, since they're separate from the department, to call it straight.

I was struck by your saying that the chief information officer at the FBI felt the closest he could come to pointing out the problems there was that, "If this thing works, it will work," when, in fact, as you point out, Commissioner, the inspector general had pointed this out very early on.

So just a comment about that.

GORELICK:

Well, thank you for that comment. I mean, in my 30 years of experience in and out of government, I have found the inspectors general, who became an institution across the government in 1978, to be invaluable sources of independent analysis that provides the, sort of, transparency that one often doesn't get elsewhere through the government.

Other questions?

QUESTION:

My question is for Mr. Gannon, and then for any of the other panelists who would like to chime in. And I wanted to follow up on one of the comments you made about human intelligence and efforts to improve that.

You mentioned that, in your view, improving human intelligence is going to be a question of strategy, not numbers. However, in terms of progress that we've actually been able to track publicly at least over the last year, it has tended to focus on numbers.

For example, the executive orders last year from the White House calling on the CIA to increase its number of case officers in the clandestine service by 50 percent.

I wonder how you get away from that, if you have any specific thoughts on what direction strategy should go, and whether there are any specific mile posts we should be watching for in the coming months and years in terms of actually tracking progress on HUMINT.

GANNON:

Well, I think the answer is -- I think what the president has done is given encouragement to the intelligence community that numbers will be available.

But I think it's critical that it be followed up with the leadership of the community. Now John Negroponte, and I think Porter Goss has a particularly critical mission here as the director of CIA, to look at the world we live in and to say, "Where are we most threatened where human intelligence can play a critical role?"

This also would include in a strategic sense determining where, you know, traditional diplomacy and open-source information actually can do the job or do a lot of the job for us. Where does really the surgical use and the high-risk use of HUMINT make most sense?

I think that is eminently doable. And I think when you develop a set of requirements or priorities from various areas, certainly China, North Korea, areas that would not surprise you. Russia continued nuclear issues there. India, Pakistan. But also, how do you deal with the new issues, as you're very familiar with, terrorism in Africa, example?

It's not zero-sum, we're not doing anything on terror in Africa. Therefore, like little kids playing soccer, you send them all down the field. You say, "Where does that priority fit in relation to others? And, again, "How can we work that priority with other sources of collection and information so that we get the best information available for the analysis of the issue?"

So it is, I think, a question of -- it really is strategy to me, to look at the world we live in, where we're most threatened, and where HUMINT can play the most critical role, and then seeing how you develop the strategies, what kind of people we need, what kind of training they need, investing for the longer term. Because in some of these issues it really is going to take time measured in years to get the expertise you need to deal with these issues. In other areas, it is not.

But I think Porter Goss is eminently capable of doing this, and I suspect he already is.

But I don't know how you can deal with the rapidly changing world that we have been dealing with and we're going to continue to deal with unless you have a strategic approach to it, where you are constantly balancing priorities and identifying the most important ones for the longer-term investment.

GORELICK:

I would just make one follow-up comment there.

One of the observations we made in the 9/11 Commission report was that through the 1990s our government cut back its commitment to its diplomatic posts in remote places.

GORELICK:

And that left our military and our vast consumer culture as really the only outposts, if you will, in many remote places.

One of the things that I want to make sure we look at, as we do our report card, is, as John mentioned, the diplomatic resources that we have both to represent us and to collect observations about what is happening in places in the world that can affect us deeply.

THORNBURGH:

The other thing we've got to do is lose our squeamishness about dealing with some not very nice people in regard to HUMINT. You don't get your best human intelligence from pillars of the community. More likely than not, you're dealing with people who are at least in a gray area, and sometimes worse. There was a school of thought that was not a proper role for the U.S. intelligence community some time back, and I think that we ought to disabuse ourselves of that.

We have to take our intelligence where it comes from. And obviously, it has to be very carefully assessed, analyzed and looked at in terms of its relevance to our overall effort.

But I don't think we can apply a litmus test to potential human intelligence sources.

QUESTION:

Just more on the human resources angle, you talk about all these positions that are still open, that you can't hire enough analysts, and also the turnover in the leadership level because of burnout.

GORELICK:

Do you have any specific recommendations on how those issues can be dealt with?

THORNBURGH:

See me in about six months. I think the next issue that we have been asked to undertake for Chairman Wolf and for the FBI is to examine the human sources practices within the bureau, which are generally not assessed as favorably as they would like. So we'll have to see, but there are clearly some shortcomings that have to be addressed.

I hinted at some of them today -- the pay structure, the career track that's available, the succession plans that are in place, the recruiting techniques -- all of those have to be and will be addressed.

GORELICK:

One of the things that we looked at during the tenure of the 9/11 Commission was whether to recommend an intelligence service, either within the FBI as a service that was untouchable, if you will, or whether to pull all of the intelligence resources out.

And I was very interested in John Gannon's comment, which I think we will pursue, to whether you can effectively build an intelligence cadre unless you have ownership within that unit of all the intelligence resources: the ability to hire, to train, promote and incent.

QUESTION:

Commissioner Gorelick, just to follow up on that same point, as you said, the commission had considered breaking away the domestic intelligence function into a separate agency.

Do you and do any of your fellow former commissioners now have regrets based on what we've heard about the false assurances about the Virtual Case File, about the difficulty changing the culture vis-a-vis analysis, about not having recommended that and whether that, perhaps, should now be reconsidered?

GORELICK:

Well, that is a very good question, and I think one that we will discuss.

There were in gross two sets of reasons for our recommendations. One was that -- and we thought the leadership of the bureau got it and was on the right track and that we thought that with the appropriate incentives from the president and from Congress and a little helpful nudge from the 9/11 Commission that the bureau would move in the right direction.

GORELICK:

And I think we have been taken aback, collectively, by the failure of the Virtual Case File and by some of the findings of the WMD Commission and the NAPA (ph) review panel about the degree to which the changes that are necessary have not been implemented or moved apace.

The second reason, however, remains, which is that, breaking the connection between your domestic intelligence function and your domestic law enforcement function breaks a critical connection with local law enforcement, with the people on the ground in communities across the country. And we were warned, in fact, by the head of MI-5 in Britain, this is an important relationship not to break.

And that reason remains.

And so, as we think about our report card, both of those reasons and all of the information that we gather as this process that we've begun today continues will be considered by us.

GANNON:

Jamie, can I just comment there that I continue to think very strongly that this can be done within FBI? And I also continue to be strongly opposed to a separate domestic intelligence-collection agency. I

think this would be, in my judgment, a bad idea that ultimately would not be supported by the American people.

But I don't know why we have to go there. If we can believe -- as we should believe -- then I think this capability can be developed within FBI, and we'd have to keep working at it.

However discouraged we may be at this point, I believe it can be done.

QUESTION:

About a year ago, Attorney General Ashcroft said that the greatest structural problem was the wall within the Justice Department, within the FBI, on intelligence and investigations.

He said that steps have been taken to dismantle the wall.

QUESTION:

You guys have talked about the culture, though, that still exists. Has the wall itself actually been dismantled at this point? Or how is the progress on that?

GORELICK:

Dick, do you want to answer that question?

THORNBURGH:

Yes, I think the simple answer is yes by the provisions of the Patriot Act and the steps that have been taken within both communities in the wake of that.

That doesn't necessarily mean that there's a 100 percent interface between the intelligence and law enforcement communities that exists simply by reason of tradition and culture. But the Patriot Act provisions were a giant step forward in breaking down what those of us who served in the Department of Justice prior thereto knew was a major inhibitor in these kind of investigations.

GORELICK:

I think what you're hearing in this panel today is that -- and as the 9/11 Commission found in its report -- that the legal structure was only one part of the wall, and you can bring down the legal structure and the cultures remain. And that is where the work needs to be done.

GANNON:

The only point I was making is you can't change the culture if the wall is still there.

GORELICK:

It's necessary, but not sufficient.

QUESTION:

My question goes back to human intelligence. And specifically, I'd like to ask about how well both the CIA and FBI are now doing at recruiting agents to work overseas who are Arab or Muslim, or to work in the U.S. as FBI agents who are Arab and Muslim.

And this has been something that's been commented on often since 9/11, that the intelligence community has not had enough people from Arab and Muslim communities in the U.S. or from Arab and Muslim countries overseas.

QUESTION:

How much progress do you think has been made in the past few years on that question?

GORELICK:

Chitra, you want to respond in terms of the bureau?

RAGAVAN:

Yes.

I think the bureau would say that they've made substantial progress but it's still very difficult. And they would blame it on the security procedures that are involved in getting all of these people and getting them into sensitive jobs. But clearly a great deal more needs to be done.

The whole language program also is very, very troubled and need to be beefed up quite a bit in terms of the types of translators that they have and the languages that they speak and being able to translate the incredible volume of intelligence that's pouring in.

GORELICK:

John, you want to talk about the agency?

GANNON:

Well, first of all, I'm not there, of course. Porter Goss could give a much better answer than I would?

GORELICK:

But you're Porter Goss today.

GANNON:

Oh, I am Porter Goss today. And I actually think Porter would agree with what I'm about to say.

I think, in terms of overall recruitment within CIA, I think they're getting some of the finest, most talented young people applying they've ever had.

And, by the way, these are talented young people who are quite willing to do what Dick Thornburgh suggested in taking the kind of risks and going after the most difficult targets and getting the most critical information for us.

I think the effort to get more Arab-speaking, people who have grown up in the Middle East -- that continues to be complicated but I think what are difficult security requirements. And I have been personally involved in some of that where I thought the individuals were just the very kind of people we were looking for, and we discovered that because of family relationships or whatever, people tend to get pushed out of the security process.

GANNON:

I think that does have to be addressed. We're not going to get where we need to go without taking some new risks. If we really want to have people who will come from the region, then they're probably going to be related to people.

So, I think we have to mature our system to deal with these kind of challenges, because I don't think we are there. But I think, certainly, under Porter's leadership, and, I think, certainly the leadership of the director of operations and George Tenet before him, they were trying very hard to deal with this.

It's a recognized problem, but it's not where we need to be.

Language training, again, is an issue, but I will tell you, that's another issue. Back in 1995, we had laid out all the critical areas where we thought we needed to invest in language. And I recall that Farsi was one of the top priorities, and we had a five-year plan to deal with it.

Well, along came Bosnia and what happens is that your training plans -- or your investment in training -- tend to get eaten by the current requirements.

So, again, this is the long-term effort to keep both the director of central -- or now DNI -- and the president and his people and the Congress on the same wavelength.

If we want to get these capabilities over the long term, then we have to stick with our commitment it investment in getting them.

RAGAVAN:

Also, the WMD Commission made a couple of interesting points on human intelligence. They said, for instance, the bureau has very good asset validation program in its counterespionage program, but that same asset validation program doesn't exist in counterterrorism to the extent that it should.

And so they don't have a centralized system of validating whether their assets are legitimate and are credible and are giving them accurate information.

And also, from the bureau's point of view, in terms of human intelligence gathering, the WMD Commission made a very important point in terms of giving analysts the training and the time to do strategic versus tactical intelligence -- tactical intelligence related to individual investigations, compared

to overall, big-thinking, strategic intelligence: "Where do we go in 10 years? What will our threats be? And how do we how do we respond to them?"

QUESTION:

I have a question for John Gannon and Attorney General Thornburgh.

You seem to describe what sounded like very significant deficiencies in the analytical abilities and capabilities of the FBI.

Mr. Gannon, you've described analysts in the FBI as being akin to furniture and carpet dust, if I heard you correctly. That's not all that different from the way the 9/11 Commission described the analytical capabilities of the FBI before 9/11. In fact, I think, as I recall, secretaries were hired, according to your report, to do that job and then they were given nothing to do. And that's not to diminish the good work that secretaries do.

My question to you is, how exposed is the nation to a terrorist attack, given this failure to develop analytical capabilities? And doesn't that fact undercut your commentary at the beginning of this session that we've made good progress in fixing the problems that were found after 9/11?

GANNON:

I think the last part first, I think it's because of a lot of the things that have been done just in a reactive way, not just by FBI but by CIA, by TTIC in its time, by NCTC, by CIA. We know a lot more about terrorism and terrorist groups, including domestic groups, than we knew before.

So in that sense, I don't think we are threatened. And the fact that we have not had, you know, a terrorist threat is because to some degree the level of cooperation that has existed, the improved level of cooperation.

I would also say that one of the reasons that we, unlike the United Kingdom, do not have a major domestic terrorist threat, that is indigenous threats, is because of the good work the FBI has done over the years in cooperation with state, local law enforcement. So this is not a bad news story -- a fully bad news story.

But I think the issue of FBI developing an analytical capability -- and to correct my statement, I said the analysts are regarded by agents as carpet dust. That was an unkind metaphor, but it's I think pretty close to what I observed to be the truth.

That doesn't mean that the FBI has not brought in more analysts; it has. It got a lot of help from CIA. There were 25 analysts brought over to help get the process rolling.

GANNON:

So I think we are relatively better than we were at 2001, but I think we are far away from where we need to be. And it isn't because -- this is not a good guys/bad guys story, it is investment.

I think that 10 years ago, when I was the DDI at CIA, I had a budget to manage those analysts that was about \$350 million. That's what it takes to develop an analytic corps, to be able to train them, develop

them, deploy them and get real expertise in their production that is worthy of the president of the United States.

This is what FBI has not done.

So I think they're clearly in deficit in achieving the kind of standard I think the Congress and the various commissions have wanted to see them achieve. But I believe it is achievable and I think we're not in a situation where that deficit is a major crisis for the government.

QUESTION:

I have a question about open-source reporting, because I'm hearing more and more from specialists that open source is an under-used resource; that the CIA and FBI could make a lot more use of things that are just easily available.

Have you seen this happen? Are they using it? Is it important?

GANNON:

Well, the intelligence community, the analytic community back in 2001 made recommendations to the Congress on improving -- this was in February of 2001. They cited open source as an area where we were underachieving and we needed to get more aggressive.

I think what has regrettably happened -- and this is in my personal judgment -- this is also, kind of, another instance of where when we have a functional problem, there's a tendency in Congress to want a structural solution, put another structure in place.

GANNON:

And I think that has -- certainly with the WMD Commission recommending a thing like an open-source directorate I think, to me, goes in the absolutely wrong direction.

I think open source -- what we want is an analytic community where the analysts recognize the center of gravity and expertise of so many of the issues we deal with in the intelligence community now, including things like the biothreat -- the center of gravity is outside the intelligence community; in some cases HHS has more expertise than does the intelligence community in many areas.

But certainly availing ourselves of a place like Johns Hopkins and the University of Pittsburgh, who have terrific programs, we should have an analyst who can reach out and know how to reach out, know how to leverage the expertise of outside sources information.

My fear is when you create a new structure and treat open sources as another intelligence discipline, the way imagery is a discipline and signals intelligence is a discipline, then you artificially create an open source that puts it on an equal of all the others. When, in fact, I think in most issues today the open source world -- that is getting out with experts and getting -- where you're going to pick up information that won't be brought into clandestine collection -- is where most of the analysts ought to be. That is the center of gravity and HUMINT is going to add to that.

It's going to be a much smaller piece of the pie on intelligence collection, but it is not equivalent with those other things. It requires us to have analysts who can do it all, not to have separate kinds of units to deal with it.

And I would also say, even on the technical side, if you look what's happening in geospatial imagery or even signals intelligence, you're seeing in visualization and animation techniques that are being developed -- these analysts are also looking to information from the outside, outside sources of information, to build their models and provide their service.

GANNON:

That is the trend that we should be encouraging.

But it doesn't mean dividing, separating out new units with regard to open-source intelligence. It means getting our analysts to deal with the open source a little more aggressively than they have.

THORNBURGH:

Let me drop a footnote to the answers to both of the last two questions involving analysts.

Intelligence gathering is part of a process. The end product is to serve policy-makers in an appropriate way.

And, as Director Mueller pointed out in his testimony to the Senate Appropriations Committee earlier this year, one of the areas that the bureau has made remarkable strides is the recruiting of report officers. Those are the folks who take the intelligence that's gathered and analyzed and put it in a digestible form.

The bureau had nobody in that category on 9/11. They now have recruited some over 200 reports officers and a lot of that in cooperation with the CIA, where that is a finely developed art form.

So, these little incremental changes, I think, in the long run, are going to add up to a much greater capability.

QUESTION:

Good day. My name is Steve Olson (ph). I'm originally from the FAA. And I'm here at the behest of Sibel Edmonds, who is trapped in Miami by a thunderstorm, and would like to be here.

She asked me to convey a message to you and a question particularly to you, Commissioner Gorelick.

She's a very smooth speaker. You've talked to her.

STAFF:

Could you get to the question, please? We have a lot of...

QUESTION:

The question is: Would you please go back to your fellow commissioners and at the end of this very ambitious agenda, which I think is a good one, hold a final ninth session -- entitled "We the People" -- in

which you, the commissioners, on a half day, and hopefully the very people that don't have imagination, the leaders of our different groups, are questioned by the most honest brokers we have?

QUESTION:

That would be the whistleblowers who have suffered, who have come out, Mike German, Sibel, Bogdan Dzakovic, and the 9/11 families.

GORELICK:

Let me say that we will look back at some of the things that we hoped and expected to have been inquired into during the course of our inquiry and which had ongoing inquiries within the government that were at a midpoint during our inquiry to see whether we would recommend any additional follow-up.

And I appreciate you raising the question. Thank you.

QUESTION:

John, you were talking about the NCTC: that it lacks strategic vision, unrealistic expectations, not the proper people, agency inter-fighting.

What do you think the NCTC should be? And what is it going to take to get it on track?

And I guess, Jamie, you could answer that, too.

GANNON:

Well, good. That's a chance, I guess, to clarify what I said.

I think the NCTC, with John Brennan at its head, has actually done a good job of getting started, and I think its people are doing very good work. So I don't think they have lacked strategic vision.

My concern is what expectations are being put on it at a time when I think the demand for a distributive model of analysis -- you know, combatant commanders needing analysts in place for them to understand the analytic threats in their own AORs and for them to be able to put requirements on intelligence-collection systems with the good analysis that drives that -- I don't think you going to be able to stop that trend for decentralization at the time we try to concentrate analytic resources in NCTC.

GANNON:

So I think it can -- NCTC -- we should not expect that it is going to be the one-stop shop and the only source of analytical -- or even the major source -- of analytical expertise.

What it should be able to do is to be able to tap all the analytic units in the intelligence community and be able to develop a consensus on what they are collecting and what they are analyzing so that the NCTC can go to the president or to any client and say, "This is what the consensus is. Here is where the differences are. Here's our collection strategy" -- and they will have the best information to do that.

But they will not be doing all of the analysis, and they certainly will not have a collection role.

So I think we have to be very clear about what we expect of this unit, and we also have to recognize that, as we try to make it successful, we should not be trying to railroad people in a way that degrades other intelligence units and organizations that are performing important and critical functions.

So, I think this is a question of a dialogue that I think John Negroponte needs to have with the Congress and I think with the administration about what we expect the NCTC to be at the end of the day.

GORELICK:

We envisioned the NCTC as very important.

I would agree with John's characterization of what would be ideal, which is: One place where you can tap into every source of information you have in the government; fill gaps where those gaps have not otherwise been filled by other collectors; permit that base of information to be used by competing analytic functions that may exist elsewhere in the government, so that you don't undermine distributed intelligence and distributed analysis, but you -- and the replication of multiple fusion centers.

So that's on the intel side.

On the operational side, we did not intend for the National Counterterrorism Center to be directing operations.

What we intended was to have one place that looked across the government, at all the capabilities, analyzed the threat, and came up with alternative plans for decision-makers to accept or reject.

GORELICK:

Right now, there is no place that locates those two responsibilities.

One of the things -- and I'll come back to this at the end, but one of the things that I'm hearing in this panel is the desperate need for clarity among these various institutions that either pre-existed the statute or have been stood up since.

I think I'll take one more question, then I'd like to sum up.

QUESTION:

I work for Congressman Christopher Shays, and I want to know if the panel could reflect more on what more could be done on the congressional side to further CIA and FBI reform, whether it be more focused hearings or legislation, and if you had any thoughts on the intelligence authorization bill coming up this week.

GORELICK:

I would say it is the unanimous view of the former commissioners that the most glaring failure of our recommendations has been in the adoption of congressional reforms.

And it is our view -- and I think you will see this explored in a panel discussion much like this one, led by former Senator Slade Gorton on July 11th on congressional reform -- that without reform of Congress, without reform of the oversight functions to allow a single body or certainly many fewer than we have now to look across all of the relevant agencies of government programmatically, to look at, "What is the threat? What is our strategy against threat? And what are the obstacles to achieving our strategy?" without that and without a much more streamlined process for appropriation of funds to each of the relevant agencies, you are not going to be able to achieve half, if any, of the promise of the changes in the executive branch.

GORELICK:

If any of my fellow panelists would like to comment on that.

Then I think I will move to bring this very, very, very helpful first session to a close.

I come away with seven categories of areas that we will need to look at as former commissioners, as members of the 9/11 Public Discourse Project, and they fall basically into these.

Turf battles: We have agencies operating with cross-purposes, or at least with ambiguous and overlapping charters, and sometimes not moving in the same direction.

Two, we need to be about the hard work of hiring, promotion, retention and incenting the behaviors that we would like to see.

Three, toward that end, we need to improve our strategic analysis and our threat assessment and responsibilities therefore.

Four, and relatedly, turnover: We need a consistent and well- trained cadre of people assigned to this important mission.

Five, leadership in each of the agencies is critical in ensuring that the vision articulated by the leaders and proved by the president and Congress is seen and saluted throughout those agencies.

Next would be executive branch leadership in resolving the information-sharing issues, both technological and in terms of the rules as to what who gets what.

GORELICK:

Technology is very much a piece of that.

And, finally, alignment of action and priorities so that the priorities drive the resources and the actions taken by our government.

We will be having, at least so far anyway, eight panels. We have distributed the schedule for the remaining panels. We may add some depending on how these go and how our information gathering proceeds.

But I'd like to put in a little advertisement for the next one.

My colleague John Lehman will be hosting a panel on the challenges facing the director of national intelligence, whom we've heard today has a very tough job. His witnesses will be, and co-panelists will be, Congresswoman Jane Harman, Admiral Bill Studeman and journalist Sheldon Goreman (ph).

And with that, I thank my panelists sincerely for the hard work both that you do in your daily lives and for spending this morning with us.

And I thank the participants in the audience today.

Thank you very much.

(APPLAUSE)

CQ Transcriptions, June 6, 2005

List of Speakers

FORMER SEPTEMBER 11 COMMISSION MEMBER JAMIE GORELICK

FORMER ATTORNEY GENERAL RICHARD THORNBURGH

FORMER NATIONAL INTELLIGENCE COUNCIL CHAIRMAN JOHN GANNON

U.S. NEWS AND WORLD REPORT STAFF WRITER CHITRA RAGAVAN

©2005 CQ Transcriptions. All rights reserved.