

**Written Statement for the Record of the
Director of Central Intelligence
Before the
Joint Inquiry Committee
17 October 2002**

I welcome the opportunity to be here today and to be part of an inquiry that is vital to all Americans. On September 11th, nearly three thousand innocent lives were taken in brutal acts of terror. For the men and women of American Intelligence, the grief we feel—the grief we share with so many others—is only deepened by the knowledge of how hard we tried—without success—to prevent this attack.

It is important for the American people to understand what CIA and the Intelligence Community were doing to try to prevent the attack that occurred - and to stop attacks, which al-Qa'ida has certainly planned and remains determined to attempt.

What I want to do this morning, as explicitly as I can, is to describe the war we have waged for years against al-Qa'ida -- the level of effort, the planning, the focus, and the enormous courage and discipline shown by our officers throughout the world. It is important for the American people to understand how knowledge of the enemy translated into action around the globe—including the terrorist sanctuary of Afghanistan—*before* September 11.

It is important to put our level of effort into context...to understand the tradeoffs in resources and people, we *had* to make - the choices we consciously made to ensure that we maintained an aggressive counterterrorist effort.

We need to understand that in the field of intelligence, long-term erosions of resources cannot be undone quickly when emergencies arise. And we need to explain the difference that sustained investments in intelligence—particularly in people—will mean for our country's future.

We need to be honest about the fact that our homeland is very difficult to protect. For strategic warning to be effective, there must be a dedicated program to address the vulnerabilities of our free and open society. Successive administrations, commissions, and the Congress have struggled with this.

To me, it is not a question of surrendering liberty for security, but of finding a formula that gives us the security we need to defend the liberty we treasure. Not simply to defend it in time of peace, but to preserve it in time of war—a war in which we must be ready to play offense and defense simultaneously. That is why we must arrive—soon—at a national consensus on Homeland Security.

We need to be honest about our shortcomings, and tell you what we have done to improve our performance in the future. There have been thousands of actions in this war—an intensely human endeavor—not all of which were executed flawlessly. We made mistakes.

Nevertheless, the record will show a keen awareness of the threat, a disciplined focus, and persistent efforts to track, disrupt, apprehend, and ultimately bring to justice Bin Ladin and his lieutenants.

Somehow lost in much of the debate since September 11 is one unassailable fact: The US intelligence community could not have surged, as it has in the conflict in Afghanistan, and engaged in an unprecedented level of operations around the world, if it was as mired as some have portrayed.

It is important for the American people to know that, despite the enormous successes we have had in the past year—indeed over many years—al-Qa'ida continues to plan and will attempt more deadly strikes against us. There will be more battles won and, sadly, more battles lost. We must be honest about that, too.

Finally, we need to focus on the future, and consider how the knowledge we have gained in this war will be applied.

These are some of the themes that I hope you will reflect on as you listen to this testimony today.

Let me begin by describing the rise of Usama Bin Ladin and the Intelligence Community's Response.

- We recognized early on the threat posed by Usama Bin Ladin and his supporters.
- As that threat developed, we tracked it and we reported it to Executive Branch policymakers, Congress, and, when feasible, directly to the American people.
- We reacted to the growing threat by conducting energetic, innovative, and increasingly risky operations to combat it. We went on the *offensive*.
- And this effort *mattered*. It saved lives—perhaps in the thousands. And it prepared the field for the rapid successes in Afghanistan last winter.

The Early Years: Terrorist Financier (1986-1996)

The first rule of warfare is “know your enemy.” My statement documents our knowledge and analysis of Bin Ladin, from his early years as a terrorist financier to his leadership of a worldwide network of terrorism based in Afghanistan.

Bin Ladin gained prominence during the Afghan war for his role in financing the recruitment, transportation, and training of Arab nationals who fought alongside the Afghan mujahedin against the Soviets during the 1980s.

- While we knew of him, we have no record of any direct US Government contact with Bin Ladin at that time.
- Bin Ladin came to the attention of the CIA as an emerging terrorist threat during his stay in Sudan from 1991 to 1996.

CIA reported that during Bin Ladin's five-year residence in Sudan he combined business with *jihad* under the umbrella of al-Qa'ida.

- In May 1993, for example, al-Qa'ida financed the travel of more than 300 Afghan war veterans to Sudan after the Pakistani government launched a crackdown against foreign Islamic extremists based in Pakistan.
- By January 1994, al-Qa'ida had begun financing at least three terrorist training camps in northern Sudan. Among the trainers were Egyptian, Algerian, Tunisian, and Palestinian extremists.
- Islamic extremists, who in December 1992 bombed a hotel housing US servicemen in Aden, Yemen, said Bin Ladin financed their group.
- We learned in 1996 that Bin Ladin sent members to Somalia in 1993 to work as advisors with Somali warlord Aideed in opposing US forces sent there in support of Operation Restore Hope. Bin Ladin later publicly claimed responsibility for this activity, and CIA has confirmed his involvement in Somalia.
- After Bin Ladin had left Sudan we learned that al-Qa'ida had attempted to acquire material used in pursuing a chemical, biological, radiological, nuclear (CBRN) capability and had hired a Middle Eastern physicist to work on nuclear and chemical projects in Sudan.

As Bin Ladin's prominence grew in the early 1990's, it became clear to CIA that it was not enough simply to collect and report intelligence about him.

- As early as 1993, our units watching him began to propose action to reduce his organization's capabilities.

I must pause here. In an open forum I cannot describe what authorities we sought or received. But it is important that the American people understand two things.

- The first is about covert action in general: CIA can only pursue such activities with the express authorization of the President.
- The second point is that, when such proposals are considered, it is always because we or policymakers identify a threatening situation, a situation to which we must pay far more attention and one in which we must run far greater risks. As long ago as 1993, we saw such a situation with Usama Bin Ladin.

By the time Bin Ladin left Sudan in 1996 and relocated himself and his terror network to Afghanistan, the Intelligence Community was taking strong action to stop him.

- We established a special unit--known as the Bin Ladin Issue Station--with CIA, NSA, FBI and other officers specifically to get more—and more actionable—intelligence on Bin Ladin and his organization. We took this step because we knew that traditional approaches alone would not be enough for this target.
- We monitored his whereabouts and increased our knowledge about him and his organization with information from our own assets and from many foreign intelligence services.
- We were working hard on an aggressive program to disrupt his finances, degrade his ability to engage in terrorism, and, ultimately, to bring him to justice.

We must remember that, despite this heightened attention, Bin Ladin was in the mid-1990s only one of four areas of concentration within our Counter-Terrorist Center, CTC.

- In addition to the Bin Ladin Issue Station, we had a group working against Hizballah; a group working Egyptian Islamic Jihad, al-Gama'at, and Palestinian rejectionists; and a group working on an assortment of smaller terrorist groups, such as Shining Path in Peru, Abu Sayef in the Philippines, and the Tamil Tigers of Sri Lanka.

Taliban Sanctuary Years: Becoming a Strategic Threat

Beginning in January 1996, we began to receive reports that Bin Ladin planned to move from Sudan. Confirming these reports was especially difficult because of the closure in February of the US Embassy as well as the CIA station in Khartoum for security reasons.

- We have read the allegations that, around this time, the Sudanese Government offered to surrender Bin Ladin to American custody.
- Mr. Chairman, CIA has no knowledge of such an offer.

Later in 1996, it became clear that he had moved to Afghanistan. From that safehaven, he defined himself publicly as a threat to the United States. In a series of declarations, he made clear his hatred for Americans and all we represent.

- In July 1996, Bin Ladin described the killing of Americans in the Khobar Towers bombing in Saudi Arabia in June 1996 as the beginning of a war between Muslims and the United States.
- One month later, in August 1996, Bin Ladin issued a religious edict or *fatwa* entitled "*Declaration of War*," authorizing attacks against Western military targets on the Arabian Peninsula.
- In February 1998, six months prior to the US Embassy bombings in East Africa, al-Qa'ida—under the banner of the "World Islamic Front for Jihad Against Jews and Crusaders"—issued another *fatwa* stating that all Muslims have a religious duty "to kill Americans and their allies, both civilian and military" worldwide.

By the time of the 1998 East Africa bombings, al-Qa'ida had established its intention to inflict mass casualties and a modus operandi emphasizing careful planning and exhaustive field preparations, which Bin Ladin saw as a prerequisite for the type of spectacular operations he had in mind.

- For example, when asked in a November 1996 interview why his organization had not yet conducted attacks in response to its August *fatwa* statement, Bin Ladin replied, "If we wanted to carry out small operations, it would have been easy to do so after the statements, but the nature of the battle requires qualitative operations that affect the adversary, which obviously requires good preparation."

The East Africa bombings in August 1998 and the attack on the USS Cole in October 2000 succeeded because of al-Qa'ida's meticulous preparation and effective

security practices.

- CIA analysts looked at captured al-Qa'ida targeting studies and training materials around the time of the East Africa and USS Cole attacks. They published an in-depth intelligence study of al-Qa'ida's terrorist operations that revealed that much of the terrorists' advance planning involved careful, patient, and meticulous preparation.

Beyond the conventional threat, we were also becoming increasingly concerned—and therefore stepped up our warning—about al-Qa'ida's interest in acquiring unconventional weapons, not only chemical or biological elements, but nuclear materials as well.

- In a December 1998 interview, Bin Ladin called the acquisition of these weapons a “religious duty” and noted, “How we would use them is up to us.”
- We reported in 1998 that an extremist associated with Al-Qa'ida said Bin Ladin was seeking a “Hiroshima.”
- As early as July 1993, in testimony to the House Foreign Affairs Committee, DCI Woolsey warned of the Intelligence Community's heightened sensitivity to the prospect that a terrorist incident could involve weapons of mass destruction (WMD). In February 1996, in testimony to the Senate Select Committee on Intelligence, DCI Deutch expressed his concern about the growing lethality, sophistication, and wide-ranging nature of the terrorist threat, and that terrorists would push this trend to its most “awful extreme by employing weapons of mass destruction.” I made similar warnings to these committees as early as 1998, when I pointed to Bin Ladin's attempts to purchase or manufacture biological and chemical weapons for an attack against US facilities.
- CIA analysts published two in-depth assessments on al-Qa'ida's CBRN capabilities in 1999.

The terrorist plotting, planning, recruiting, and training that Bin Ladin and al-Qa'ida did in the late 1990s were aided immeasurably by the sanctuary the Taliban provided.

- Afghanistan had served as a place of refuge for international terrorists since the 1980s. The Taliban actively aided Bin Ladin by assigning him guards for security, permitting him to build and maintain terrorist camps, and refusing to cooperate with efforts by the international community to extradite him.

- In return, Bin Ladin invested vast amounts of money in Taliban projects and provided hundreds of well-trained fighters to help the Taliban consolidate and expand their control of the country.
- While we often talk of two trends in terrorism—state-supported and independent—in Bin Ladin’s case with the Taliban we had something completely new: a *terrorist* sponsoring a *state*.

Afghanistan provided Bin Ladin a relatively safe operating environment to oversee his organization’s worldwide terrorist activities.

- Militants who received training there were sent afterwards to fight in *jihads* in Kashmir, Chechnya, or Bosnia.
- The al-Qa’ida/Taliban training camps formed the foundation of a worldwide network by sponsoring and encouraging Islamic extremists from diverse locations to forge longstanding ideological, logistical, and personal ties.
- Extremists in the larger camps received basic training in the use of small arms and guerrilla tactics. In the smaller camps, militants received more advanced and specialized training in subjects like explosives, poisons, and assassination techniques.
- Clandestine and counterintelligence tradecraft courses included basic instruction on how to establish secure, cell-based, clandestine organizations to support insurgencies or terrorist operations.
- Indoctrination in extremist religious ideas was emphasized and included the repetition of ideas that the United States is evil, and that the regimes of Arab countries are not true believers in Islam and should be overthrown as a religious duty.
- Some of the Afghan camps provided the militants instruction in the production and use of toxic chemicals and biological toxins.

In summary, what Bin Ladin created in Afghanistan after he relocated there in 1996 was a sophisticated adversary—as good as any that CIA has ever operated against.

Going to War against al-Qa’ida—“The Plan”

As the Intelligence Community improved its understanding of the threat, and as the threat grew, we refocused and intensified our efforts to track, disrupt, and bring the terrorists to justice.

By 1998, the key elements of the CIA's strategy against Bin Ladin and al-Qa'ida—inside Afghanistan and globally—placed us in a strongly offensive posture. They included:

- Hitting al-Qa'ida's infrastructure;
- Working with foreign security services to carry out arrests;
- Disrupting and weakening UBL's businesses and finances;
- Recruiting or exposing operatives; and
- Pursuing a multi-track approach to bring Bin Ladin himself to justice, including working with foreign services, developing a close relationship with US federal prosecutors, increasing pressure on the Taliban, and enhancing our capability to capture him.

CIA's policy-and-objectives statement for the FY 1998 budget submission to Congress—which was prepared in early 1997—reflects this determination to go on the offensive against terrorism.

- The submission outlined our Counterterrorist Center's (CTC's) offensive operations, listing as their goals to “render the masterminds, disrupt terrorist infrastructure, infiltrate terrorist groups, and work with foreign partners.”
- It highlighted efforts to work with the FBI in a bold program to destroy the infrastructure of major terrorist groups worldwide.
- The FY 1999 submission—prepared in early 1998—continued the trend in requesting a substantial funding increase for offensive operations against terrorism.
- The FY 2000 budget submission prepared in early 1999 described Bin Ladin as “the most significant individual sponsor of Sunni Islamic extremist and terrorist activity in the world today.” Our FY 2000 submission noted our use of a wide range of operational techniques, joint operations with foreign partners, and the recruitment of well-placed agents.
- Commenting on the Bin Ladin-dedicated Issue Station in CTC, the FY 2000 submission noted that, “This Station, staffed with CIA, FBI, DOD, and NSA officers, has succeeded in identifying assets and members of Bin Ladin's organization, and nearly 700 intelligence reports have been disseminated about his operations.”

Despite these clear intentions, and the daring activities that went with them, I was not satisfied that we were doing all we could against this target. In 1998, I told key leaders at CIA and across the Intelligence Community that we should consider ourselves “at war” with Usama Bin Ladin. I ordered that no effort or resource be spared in prosecuting this war. In early 1999, I ordered a baseline review of CIA’s operational strategy against Bin Ladin.

In spring 1999, CTC produced a new comprehensive operational plan of attack against the Bin Ladin/al-Qa’ida target inside and outside Afghanistan.

- This new strategy was previewed to senior CIA management by the end of July 1999. By mid-September, it had been briefed to CIA operational level personnel, and to NSA, the FBI, and other partners.
- CIA then began to put in place the elements of this operational strategy, which structured the Agency’s counterterrorist activity until September 11th, 2001.

This strategy—which we called “*The Plan*”—built on what CTC was recognized as doing well—collection, quick reaction to operational opportunities, renditions, disruptions, and analysis. Its priority was plain: to capture and bring to justice Bin Ladin and his principal lieutenants.

- The Plan included a strong and focused intelligence collection program to track—and then act against—Bin Ladin and his associates in terrorist sanctuaries. It was a blend of aggressive human source collection—both unilateral and with foreign partners—and technical collection.
- To execute the Plan, CTC developed a program to select and train the right officers and put them in the right places. We moved talented and experienced officers into the Center. We also initiated a nation-wide program to identify, vet and hire qualified personnel for counterterrorist assignments in hostile environments. We sought native fluency in the languages of the Middle East and South Asia, combined with police, military, business, technical, or academic experience. In addition, we established an eight-week advanced Counterterrorist Operations Course to share the tradecraft we had developed and refined over the years.

The parts of “the Plan” focused on Afghanistan faced some daunting impediments (some of which would change after 9/11). For example:

- The US Government had no official presence in Afghanistan, and relations with the Taliban were seriously strained. Both factors made it more difficult to gain access to Bin Ladin and al-Qa’ida personnel.
- US policy stopped short of replacing the Taliban regime, limiting the ability of the US Government to exert pressure on Bin Ladin.

- US relations with Pakistan, the principal access point to Afghanistan, were strained by the Pakistani nuclear tests in 1998 and the military coup in 1999.

Collection Profile

Despite these facts, our surge in collection operations paid off.

- Our human intelligence (HUMINT) reporting on the difficult Bin Ladin/al-Qa'ida target increased from roughly 600 reports in 1998 to 900 reports in the first nine months of 2001.
- Our HUMINT sources against the terrorism target grew by more than 50 percent between 1999 and 9/11.
- Working across agencies, and in some cases with foreign services, we designed and built several collection systems for specific use against al-Qa'ida inside Afghanistan.
- By 9/11, a map would show that these collection programs and human networks were in place in such numbers to nearly cover Afghanistan. This array meant that, when the military campaign to topple the Taliban and destroy al-Qa'ida began last October, we were able to support it with an enormous body of information and a large stable of assets.

The realm of human source collection frequently is divided between “liaison reporting” (that which we get from cooperative foreign intelligence services) and “unilateral reporting” (that which we get from agents we run ourselves). Even before “the Plan,” our vision for HUMINT on terrorism was simple: we had to get *more of both types*. The figures for both rose every year after 1998. And in 1999, *for the first time*, the volume of reporting on terrorism from unilateral assets exceeded that from liaison sources—a trend which has continued in subsequent years.

The integration of technical and human sources has been key to our understanding of—and our actions against—international terrorism. It was this combination—this integration—that allowed us years ago to confirm the existence of numerous al-Qa'ida facilities and training camps in Afghanistan.

- On a virtually daily basis, analysts and collection officers from NSA, NIMA, and CIA came together to interactively employ satellite imagery, communications information, and human source reporting.
- This integration also supported military targeting operations prior to September 11, including the cruise missile attack against the al-Qa'ida training camp complex in northeastern Afghanistan in August 1998. In

addition, it helped to provide baseline data for the US Central Command's target planning against al-Qa'ida facilities and infrastructure throughout Afghanistan.

Countering Al-Qa'ida's Global Presence

Even while targeting UBL and al-Qa'ida in their Afghan lair, we did not ignore its cells of terror spread across the globe. Especially in periods of peak threat reporting, we accelerated our work to shake up and destroy al-Qa'ida cells wherever we could find them.

- This took resources--operations officers, desk officers, analysts, translators -- throughout the Intelligence Community and law enforcement agencies.
- We also mobilized intelligence services around the globe.

By 1999, the intensive nature of our operations was disrupting elements of Bin Ladin's international infrastructure. We believe that our efforts dispelled al-Qa'ida's impression that it could organize and operate with impunity. Our operations sent the message that the United States was not only going after al-Qa'ida for crimes it had committed, but also was actively seeking out and pursuing terrorists from al-Qa'ida and other groups engaged in *planning future attacks* whenever and wherever we could find them.

- By 11 September, CIA (in many cases with the FBI) had rendered 70 terrorists to justice around the world.

During the Millennium threat period, we told senior policymakers to expect between five and fifteen attacks, both here and overseas. The CIA overseas and the FBI in the US organized an aggressive, integrated campaign to disrupt al-Qaida using human assets, technical operations, and the hand-off of foreign intelligence to facilitate FISA court warrants.

Over a period of months, there was close, daily consultation that included Director Freeh, the National Security Adviser, and the Attorney General. We identified 36 additional terrorist agents at the time around the world. We pursued operations against them in 50 countries. Our disruption activities succeeded against 21 of these individuals, and included arrests, renditions, detentions, surveillance, and direct approaches.

- We assisted the Jordanian government in dealing with terrorist cells that planned to attack religious sites and tourist hotels. We helped track down the organizers of these attacks and helped render them to justice.

- We mounted disruption and arrest operations against terrorists in 8 countries on four continents, which also netted information that allowed us to track down even more suspected terrorists.
- During this same period, unrelated to the Millennium threats, we conducted multiple operations in East Asia, leading to the arrest or detention of 45 members of the Hizballah network.
- In the months after the Millennium experience—in October 2000—we lost a serious battle, when USS Cole was bombed and 17 brave American sailors perished.

The efforts of American intelligence to strike back at a deadly enemy continued through the Ramadan period in the winter of 2000, another phase of peak threat reporting.

- Terrorist cells planning attacks against US and foreign military and civilian targets in the Persian Gulf region were broken up, capturing hundreds of pounds of explosives and other weapons—including anti-aircraft missiles. These operations also netted proof that some Islamic charitable organizations had been either hijacked or created to provide support to terrorists operating in other countries.
- We succeeded in bringing a major Bin Ladin terrorist facilitator to justice with the cooperation of two foreign governments. This individual had provided documents and shelter to terrorists traveling through the Arabian Peninsula.
- We worked with numerous European governments, such as the Italians, Germans, French, and British to identify and shatter terrorist groups and plans against American and local interests in Europe.

Fusion and Sharing—the Intelligence Community and Law Enforcement

Taking the fight to Bin Ladin and al-Qa'ida was not just a matter of mobilizing CTC, or even CIA. This was an interagency—and international—effort. Two things which are critical to this effort are: fusion and sharing.

- The Counterterrorist Center (CTC) at CIA was created in 1986 to enable the fusion of all sources of information in a single, action-oriented unit. Not only do we fuse every source of reporting on terrorists from US and foreign collectors, we also fuse analysis and operations. This fusion gives us the speed that we must have to seize fleeting opportunities in the shadowy world of terrorism. Based on this proven philosophy, by 2001 the Center had more than 30 officers from more than a dozen agencies on

board, ten percent of its staff complement at that time.

- No matter how much is fused within CTC, no matter how large CTC may be, there are still key counterterrorist players outside it, making the sharing of knowledge essential. Interview anyone in CTC, and he or she will likely tell you of work they are doing with counterparts across CIA—especially in the field—or with NSA, NIMA, FBI, or today with a Special Forces unit in Kandahar or Bagram.

It is also clear that, when errors occur—when we miss information or opportunities—it is often because our sharing and fusion are not as strong as they need to be. Communication across bureaucracies, missions, and cultures is among our most persistent challenges in the fast-paced, high-pressure environment of counterterrorism. I will return to this issue later in my testimony when I present some prescriptions for the future.

One of the most critical alliances in the war against terrorism is that between CIA and FBI. This alliance in the last few years has produced achievements that simply would not have been possible if some of the recent media stories of all-out feuding were true.

- An FBI officer has been serving as deputy to the Chief of CTC since the mid-1990s, and FBI reciprocated by making a CIA officer deputy in the Bureau's Counter-Terrorist Division.
- In the Bin Ladin Issue Station itself, FBI officers were detailed there soon after it opened in 1996, with the presence growing to four officers by September 2001.

There are abundant examples of close FBI-CIA partnership in counterterrorism.

- After the first World Trade Center bombing, FBI headed the investigation and CTC created an interagency task force to develop intelligence leads for the FBI. At FBI request, CIA obtained intelligence from a foreign service on Ramzi Yousef, who subsequently was convicted for the attack.
- After we received a rash of reports in 1998 threatening attacks in the United States, CIA worked together with FBI to provide advisories for local law enforcement agencies. One such episode occurred when CIA provided reporting of a plot to hijack a plane on the east coast of the United States to attempt to free the "Blind Shaykh" from prison. The report also said that there had been a successful test to elude security at a major airport.
- Also in 1998, FBI and CIA worked closely in the wake of the East Africa

bombings to disrupt a planned attack on another U.S. Embassy in Africa. In a three-day period, more than 20 al-Qa'ida operatives were arrested in that country.

Of course, the relationship is not perfect, and frictions occasionally arise. A 1994 CIA Inspector General report noted that interactions between the two organizations were too personality dependent. This has been particularly so when the two were pursuing different missions in the same case: FBI trying to develop a case for courtroom prosecution, and CIA trying to develop intelligence to assess and counter a threat.

- In 2001 (before 9/11), the CIA IG found significant improvement, citing, for example, the Center's assistance to the FBI in two dozen renditions in 1999-2000.
- Director Freeh and I worked on this very hard. We had quarterly meetings of our senior leadership teams. Through training and other means, coordination between our Chiefs of Station overseas and legal attaches was significantly improved. Today, Bob Mueller and I are working to deepen our cooperation, not only at headquarters, but in the field. We both understand that despite different missions and cultures, we need to build a system of seamless cooperation that is institutionalized.

Increasing the difficulty of inter-agency communications is an unfortunate phenomenon known as "the Wall." It has been mentioned before in these hearings—the complex system of laws and rules (and perceptions about them) that impede the flow of information between the arenas of intelligence and criminal prosecution. The "Wall" slows and sometimes stops the flow of information—something we simply cannot afford. The Patriot Act has helped alleviate this.

Runup to 9/11—Our Operations

The third period of peak threat was in the spring and summer 2001. As with the Millennium and Ramadan 2000, we increased the tempo of our operations against al-Qa'ida. We stopped some attacks and caused the terrorists to postpone others.

- We helped to break up another terrorist cell in Jordan and seized a large quantity of weapons, including rockets and high explosives.
- Working with another foreign partner, we broke up a plan to attack US facilities in Yemen.
- In June, CIA worked with a Middle Eastern partner to arrest two Bin Ladin operatives planning attacks on US facilities in Saudi Arabia.
- In June and July, CIA launched a wide-ranging disruption effort against

Bin Ladin's organization, with targets in almost two-dozen countries. Our intent was to drive up Bin Ladin's security concerns and lead his organization to delay or cancel its attacks. We subsequently received reporting that attacks were delayed, including an attack against the US military in Europe.

- In July, a different Middle East partner helped bring about the detention of a terrorist who had been directed to begin an operation to attack the US Embassy or cultural center in European capital.
- Also in the summer of 2001, local authorities, acting on our information, arrested an operative described as Bin Ladin's man in East Asia.
- We assisted another foreign partner in the rendition of a senior Bin Ladin associate. Information he provided included plans to kidnap Americans in three countries, and carry out hijackings.
- We provided intelligence to a Latin American service on a band of terrorists considering hijackings and bombings. An FBI team detected explosives residue in their hotel rooms.

Runup to 9/11—the Watchlist Issue

During the period of the Millennium threats, one of our operations, and one of our mistakes, occurred during our accelerating efforts against Bin Ladin's organization—when we glimpsed two of the individuals who later became 9/11 hijackers, Khalid al-Mihdhar and Nawaf al-Hazmi.

- In December 1999, CIA, FBI, and the Department of State received intelligence on the travels of suspected al-Qa'ida operatives to Kuala Lumpur, Malaysia. CIA saw the Kuala Lumpur gathering as a potential source of intelligence about a possible al-Qa'ida attack in Southeast Asia. We initiated an operation to learn why those suspected terrorists were traveling to Kuala Lumpur. Khalid and Nawaf were among those travelers, although at the time we knew nothing more about them except that Khalid had been at a suspected al-Qa'ida logistics facility in Yemen. We arranged to have them surveilled.
- In early January 2000, we managed to obtain a photocopy of al-Mihdhar's passport as he traveled to Kuala Lumpur. It showed a US multiple-entry visa issued in Jeddah on 7 April 1999 and expiring on 6 April 2000. We learned that his full name is Khalid bin Muhammad bin 'Abdallah al-Mihdhar.
- We had at that point the level of detail needed to watchlist him—that is, to

nominate him to State Department for refusal of entry into the US or to deny him another visa. Our officers remained focused on the surveillance operation, and did not do this.

At this early stage, the first days of January 2000, CIA briefed the FBI, informally, about the surveillance operation in Kuala Lumpur. We noted in an internal CIA communication on 5 January 2000 that we had passed a copy of al-Mihdhar's passport—with its US visa—to the FBI for further investigation. A CTC officer at the FBI wrote an e-mail in January 2000 reporting that he briefed FBI officers on the surveillance operation, noting suspicious activity but no evidence of an impending attack.

The relative importance of al-Mihdhar and al-Hazmi at this time should be kept in perspective. Neither al-Mihdhar nor al-Hazmi at the time of their travel to Kuala Lumpur were identified as key al-Qa'ida members or associates. Thus, at this point, their significance to us was that they might lead us to others or to threat information. During this period when all CIA facilities were involved in dealing with the Millennium Threat, there was particular CTC focus on three separate groups of al-Qa'ida personnel:

- Those known to have been already involved in a terrorist attack such as the East Africa embassy bombings, or suspected of being involved in planning a reported attack (e.g., East Africa embassy bombing suspect Abdul Rahman al-Muhajir);
- Senior al-Qa'ida personnel outside Afghanistan known to be directors or coordinators of terrorist operations, or senior money couriers, liaison officers or manipulators of NGO's and businesses supporting terrorist groups (e.g., terrorist operational planner Abu Zubaydah); and
- Senior al-Qa'ida personnel inside Afghanistan, particularly those close to Bin Ladin who might know of his attack or travel plans (e.g., Bin Ladin deputy Muhammad Atef).

Surveillance began with the arrival of Khalid al-Mihdhar on 5 January 2000, and ended on 8 January, when he left Kuala Lumpur. Surveillance indicated that the behavior of the individuals was consistent with clandestine activity—they did not conduct any business or tourist activities while in Kuala Lumpur, and they used public telephones and cyber cafes exclusively.

Other individuals were also positively identified by the surveillance operation.

- Later in 2001 an individual was identified as Saeed Muhammad Bin Yousaf (aka Khallad), who became a key planner in the October 2000 USS Cole bombing. Because of his later connection with the Cole bombing and other serious plotting, we believe he was the most important figure to attend the Kuala Lumpur meeting.

- Another individual identified by surveillance was Malaysian citizen Ahmad Sajuli Abdul Rahman. During the period, 6-8 January, Sajuli took the al-Qa'ida visitors around Kuala Lumpur. Two years later, Sajuli has been arrested and has admitted being part of the logistics unit for Jemaah Islamiah, an affiliate of al-Qa'ida.
- Yazid Sufaat, a Malaysian chemist who, it was later determined, was directed by a terrorist leader to make his apartment available to the al-Qa'ida operatives. He is now under arrest.
- Sufaat's name would later be connected to that of Zacarias Moussaoui.

To this day, we still do not know what was discussed at the Kuala Lumpur meeting. Al-Mihdhar and al-Hazmi remained there a few days. On 8 January 2000, they traveled to another Southeast Asian country with Khallad. We learned in March 2000 that al-Hazmi flew from that country to Los Angeles on January 15, 2000. We did not learn that al-Midhar was on the same flight until August, 2001.

- Our receipt of the information in March should have triggered the thought to watchlist al-Hazmi, but no CTC officer recalls even having seen the cable on his travel to LA when it arrived.

Al-Mihdhar departed the US on 10 June 2000 and obtained a new passport and US visa, possibly for operational security reasons. Al-Mihdhar applied for this new US visa in Jeddah in 13 June and stated that he had never traveled to the US before. On 4 July 2001, he returned to the US, entering in New York.

During August 2001, CIA had become increasingly concerned about a major terrorist attack on US interests, and I directed a review of our files to identify potential threats. CTC reviewed its holdings on al-Mihdhar because of his connections to other terrorists. In the course of that review, CTC found that al-Mihdhar and al-Hazmi had entered the US on 15 January 2000. It determined that al-Mihdhar departed the US on 10 June 2000 and reentered on 4 July 2001. CTC found no record of al-Hazmi's departure from the US.

- On 23 August, CIA sent a message—marked “immediate”—to the Department of State, INS, Customs, and the FBI requesting to enter al-Mihdhar and al-Hazmi, Bin Ladin-related individuals, into VISA/VIPER, TIPOFF and TECS. The message said that CIA recommends that al-Mihdhar and al-Hazmi be watchlisted immediately.

There are at least two points before August 2001 when these individuals were on our scope with sufficient information to have been watchlisted. During the intense operations to thwart the Millennium and Ramadan threats, the watchlist task in the case of these two al-Qaida operatives slipped through. The error exposed a weakness in our

internal training and an inconsistent understanding of watchlist thresholds. Corrective steps have been taken.

- The CIA and the State Department are cooperating to transform the TIPOFF all-source watchlist into a National Watchlist Center. This center will serve as the point of contact and coordination for all watchlists in the U.S. Government.
- We have increased managerial review of the system to reduce the chance that watchlist opportunities will be missed in the crush of other urgent business.
- We have designed a database and assembled a team to consolidate information on the identities of known and suspected terrorists, and to flag any that has not been passed to the proper audience.
- We have lowered the threshold for nominating individuals for the watchlist and clarified that threshold for our officers
- We have lowered the threshold for dissemination of information that used to be held closely as “operational.”

These corrective steps notwithstanding, we must not underestimate our enemies' capabilities.

- We know that the plot was extremely resilient.
- We know that al-Qa'ida deliberately chose young men who had no record of affiliation with terrorist activities; 17 of the 19 hijackers were clean in this respect.
- We know that al-Hazmi and al-Mihdhar tried to become pilots but abandoned the effort because of poor technical and English language skills. By the end of 2000, a replacement pilot for Flight 77, Hani Hanjur, was in the United States.
- We know that Ramzi bin Al-Shib tried on multiple occasions to get into the US and failed, and yet the plot continued.
- Finally, we know that Zacarias Moussaoui was arrested but refused to provide information on the plot.

Runup to 9/11—the Warning Issue

In the months leading up to 9/11, we were convinced Bin Ladin meant to attack

Americans, meant to kill large numbers, and that the attack could be at home, abroad, or both. And we reported these threats urgently.

Our collection sources “lit up” during this tense period. They indicated that multiple spectacular attacks were planned, and that some of these plots were in the final stages.

- Some of the reporting implicated known al-Qaida operatives.
- The reports suggested that the targets were American, although some reporting simply pointed to the West or Israel.
- But the reporting was maddeningly short on actionable details. The most ominous reporting, hinting at something large, was also the most vague. The only occasions in this reporting where there was a geographic context, either explicit or implicit, it appeared to point abroad, especially to the Middle East.
- By long established doctrine, we disseminated these raw reports immediately and widely to policymakers and action agencies such as the military, State Department, the FAA, FBI, Department of Transportation, the INS, and others.
- This reporting, by itself, stood as a dramatic warning of imminent attack.

Our analysts worked to find linkages among the reports, as well as links to past terrorist threats and tactics. We considered whether al-Qa'ida was feeding us this reporting—trying to create panic through disinformation—yet we concluded that the plots were real. When some reporting hinted that an attack had been delayed, we continued to stress that there were, indeed, multiple attacks planned and that several continued on track. And when we grew concerned that so much of the evidence pointed to attacks overseas, we noted that Bin Ladin's principal ambition had long been to strike our homeland. Nevertheless with specific regard to the 9/11 plot, we never acquired the level of detail that allowed us to translate our strategic concerns into something we could act on.

The Intelligence Community Counterterrorism Board also issued several threat advisories during the summer 2001. These advisories—the fruit of painstaking analytical work—contained phrases like “al-Qa'ida is most likely to attempt spectacular attacks resulting in numerous casualties,” and “al-Qa'ida is prepared to mount one or more terrorist attacks at any time.”

A sign that our warnings were being heard—both from our analysis and from the raw intelligence we disseminated—was that the FAA issued two alerts to air carriers in the summer of 2001.

Our warnings complemented strategic warnings we had been delivering for years about the real threat of terrorism to America.

- Recall, Mr. Chairman, my testimony in open session before your committee on February 2, 1999 when I told you “there is not the slightest doubt that Usama Bin Ladin, his worldwide allies, and his sympathizers are planning further attacks against us.” I told you “he will strike wherever in the world he thinks we are vulnerable” and that we were “concerned that one or more of Bin Ladin’s attacks could occur at any time.”
- In February 2000, I testified in open session that, “Everything we have learned recently confirms our conviction that (UBL) wants to strike further blows against America” and that he could strike “without additional warning.”
- Again in 2001 I told you that “terrorists are seeking out ‘softer’ targets that provide opportunities for mass casualties” and that Bin Ladin is “capable of planning multiple attacks with little or no warning.”
- In a National Intelligence Estimate in 1995 we warned, “*As an open and free democracy, the United States is particularly vulnerable to various types of terrorist attacks. Several kinds of targets are especially at risk: National symbols such as the White House and the Capitol, and symbols of US capitalism such as Wall Street; power grids, communications switches, water facilities, and transportation infrastructure—particularly civil aviation, subway systems, cruise lines, and petroleum pipelines; places where large numbers of people congregate, such as large office buildings, shopping centers, sports arenas, and airport and other transportation terminals.*”
- The same estimate also said, “*We assess that civil aviation will figure prominently among possible terrorist targets in the United States. This stems from the increasing domestic threat posed by foreign terrorists, the continuing appeal of civil aviation as a target, and a domestic aviation security system that has been the focus of media attention: We have evidence that individuals linked to terrorist groups or state sponsors have attempted to penetrate security at US airports in recent years. The media have called attention to, among other things, inadequate security for checked baggage. Our review of the evidence obtained thus far about the plot uncovered in Manila in early 1995, suggests the conspirators were guided in their selection of the method and venue of attack by carefully studying security procedures in place in the region. If terrorists operating in this country are similarly methodical, they will identify serious vulnerabilities in the security system for domestic flights.*”

- In a National Intelligence Estimate in 1997, we said "*Civil aviation remains a particularly attractive target for terrorist attacks in light of the fear and publicity the downing of an airliner would evoke and the revelations last summer of the vulnerability of the US air transport sector.*"

Message Received

In February 1997, the White House Commission on Aviation Safety and Security reported that:

"The Federal Bureau of Investigation, the Central Intelligence Agency, and other intelligence sources have been warning that the threat of terrorism is changing in two important ways. First, it is no longer just an overseas threat from foreign terrorists. People and places in the United States have joined the list of targets, and Americans have joined the ranks of terrorists. The bombings of the World Trade Center in New York and the Federal Building in Oklahoma City are clear examples of the shift, as is the conviction of Ramzi Yousef for attempting to bomb twelve American airliners out of the sky over the Pacific Ocean. The second change is that in addition to well-known, established terrorist groups, it is becoming more common to find terrorists working alone or in ad-hoc groups, some of whom are not afraid to die in carrying out their designs."

In its publication, "Criminal Acts against Civil Aviation 2000," the FAA stated:

"Although Bin Ladin is not known to have attacked civil aviation, he has both the motivation and the wherewithal to do so. Bin Ladin's anti-Western and anti-American attitudes make him and his followers a significant threat to civil aviation, especially U.S. civil aviation."

In discussing the plot by convicted World Trade Center bomber Ramzi Yousef to place explosive devices on as many as 12 U.S. airliners flying out of the Far East, the FAA's report points out that at least one other accused participant in the conspiracy remains at large, and

"There are concerns that this individual or others of Yousef's ilk who may possess similar skills pose a continuing threat to civil aviation interests...Increased awareness and vigilance are necessary to deter future incidents -- be they from terrorists or non-terrorists. It is important to do the utmost to prevent such acts rather than to lower security measures by interpreting the statistics as indicating a decreasing threat."

We have heard the allegation that our analysts erred by not explicitly warning that hijacked aircraft might be used as weapons. Your staff has been given access to over half a million pages of documents and interviewed hundreds of intelligence officials in their efforts to investigate this complex issue. The documents we provided show some 12 reports, spread over seven years, which pertain to possible use of aircraft as weapons in terrorist attacks.

- We disseminated those reports to the appropriate agencies—such as the FAA, Department of Transportation, and FBI—as they came in. Moreover, we also provided sanitized versions of intelligence reports that were about threats to civil aviation so they could be distributed more widely through the airline industry.
- But if one goes back and collects the reports over the same period that pertained to possible truck bombs, car bombs, assassinations, kidnappings, or attacks using chemical, biological, radiological or nuclear devices, those lists would have been far longer. A quick scan of such reporting since 1996, for example, showed about 20 times as many reports concerning car bombs and about five times as many reports concerning weapons of mass destruction.

BUDGET AND RESOURCES

To evaluate our work on al-Qa'ida before 9/11 objectively, it is essential that you look at three issues: global geopolitical issues we were grappling with -- including counterterrorism; resource changes throughout the 1990s that affected our ability to fight the counterterrorism fight; and the overall health of US intelligence during this period. It is simply not enough to look at al-Qa'ida in isolation.

The last decade saw a number of conflicting and competing trends: military forces deployed to more locations than ever in our nation's history; a growing counterproliferation and counterterrorism threat; constant tensions in the Mid East and, to deal with these and a host of other issues, far fewer intelligence dollars and manpower. At the end of the Cold War, the Intelligence Community, like much of the National Security Community, was asked by both Congress and successive Administrations to pay the price of the "peace dividend."

The cost of the "peace dividend" was that during the 1990s our Intelligence community funding declined in real terms -- reducing our buying power by tens of billions of dollars over the decade. We lost nearly one in four of our positions. This loss of manpower was devastating, particularly in our two most manpower intensive activities: all-source analysis and human source collection. By the mid-1990s, recruitment of new CIA analysts and case officers had come to a virtual halt. NSA was hiring no new technologists during the greatest information technology change in our

lifetimes. It is absolutely essential that we understand that both Congress and the Executive Branch for most of the decade embraced the idea that we could “surge” our resources to deal with emerging intelligence challenges, including threats from terrorism. And surge we did.

- As I “declared war” against al-Qa’ida in 1998 – which was in the aftermath of the East Africa embassy bombings – we were in our fifth year of round-the-clock support to Operation Southern Watch in Iraq.
- Just three months earlier, we were embroiled in answering questions on the India and Pakistan nuclear tests and trying to determine how we could surge more people to understanding and countering weapons of mass destruction proliferation.
- In early 1999, we surged more than 800 analysts and redirected collection assets from across the Intelligence Community to support the NATO bombing campaign against the Federal Republic of Yugoslavia.

During this time of increased military operations around the globe, the Defense Department was also reducing its tactical intelligence units and funding. This caused the Intelligence Community to stretch our capabilities to the breaking point – because national systems were covering the gaps in tactical intelligence. It is always our policy to give top priority to supporting military operations.

While we grappled with this multitude of high priority, overlapping crises, we had no choice but to modernize selective intelligence systems and infrastructure in which we’d deferred necessary investments while we downsized – or we would have found ourselves out of business. We had a vivid example of the cost of deferring investments a few years ago when NSA lost all communications between the headquarters and its field stations and we were unable to process any of that information for several days. We have a more current example of the cost of deferred investments today as we struggle to recapitalize our aging satellite constellation -- another “return” on the peace dividend, given that conscious decisions to accept risk and defer replacing these systems were made in the mid-1990s. At the same time, we added the National Imagery and Mapping Agency to the Intelligence Community along with enormous funding shortfalls required to merge and modernize its geospatial and imagery functions.

Throughout the Intelligence Community during this period we made difficult resource reallocation decisions to try to rebuild critical mission areas affected by the funding cuts. For example,

- In CIA we launched a program to rebuild our Clandestine Service. This meant overhauling our recruitment and training practices and our infrastructure. We launched similar initiatives to rebuild our analytic depth and expertise, and to re-acquire our leading edge in technology.

Although we will not be given credit for these efforts in the war on terrorism, they most assuredly contributed to that effort.

- NSA made the hard decision to cut additional positions to free up pay and benefit dollars to patch critical infrastructure problems and to modestly attempt to capitalize on the technology revolution.

But with the al-Qa'ida threat growing more ominous, and with our resources devoted to countering it clearly inadequate, we began taking money and people away from other critical areas to improve our efforts against terrorism.

Despite the resource reductions and the enormous competing demands for our attention, we managed to triple Intelligence Community-wide funding for counterterrorism from fiscal year 1990 to 1999. The Counterterrorism Center's resources nearly quadrupled in that same period. As your own Joint Inquiry Staff charts show, we had significantly reallocated both dollars and people inside our programs to work the terrorism problem. This inquiry has singled out CIA resources specifically and I want to address it specifically.

From a budget perspective, the last part of the 1990s reflects CIA's efforts to shift to a wartime footing against terrorism. CIA's budget had declined 18 percent in real terms during the decade and we suffered a loss of 16 percent of our personnel. Yet in the midst of that stark resource picture, CIA's funding level for counterterrorism just prior to 9/11 was more than 50 percent above our FY 1997 level. CTC personnel increased by over 60% for that same period. The CIA consistently reallocated and sought additional resources for this fight. In fact, in 1994, the budget request for counterterrorism activities equaled less than four percent of the total CIA program. In the FY 2002 CIA budget request we submitted prior to 9/11, counterterrorism activities constituted almost 10 percent of the budget request. During a period of budget stringency when we were faced with rebuilding essential intelligence capabilities, I had to make some tough choices. Although resources for virtually everything else in CIA was going down, counterterrorism resources were going up.

But after the US embassies in Africa were bombed, we knew that neither surging our resources nor internal realignments were sufficient to fund a war on terrorism. So in the fall of 1998, I asked the Administration to increase intelligence funding by more than \$2.0 billion annually for fiscal years 2000-2005 and I made similar requests for FY 2001-2005 and FY 2002-2007. Only small portions of these requests were approved. Counterterrorism funding and manpower needs were number one on every list I provided to Congress and the Administration and, indeed, it was at the top of the funding list approved by Speaker Gingrich in FY1999, the first year in which we received a significant infusion of new money for US intelligence capabilities during the decade of the 90s.

That supplemental and those that followed it, that you supplied, were essential to

our efforts – they helped save American lives. But we knew that we could not count on supplemental funds to build multi-year programs and that's why we worked so hard to reallocate our resources and to seek five year funding increases. Many of you on this Committee and the Appropriations Committees understood this problem very well. You were enormously helpful to us. And we are grateful.

I want to conclude with a couple of comments about manpower. In CIA alone, I count the equivalent of 700 officers working counterterrorism in August 2001 at both headquarters and in the field. That number does not include the people who were working to penetrate either technically or through human sources a multitude of threat targets from which we could derive intelligence on terrorists. Nor does it include friendly liaison services and coalition partners. You simply cannot gauge the level of effort by counting only the people who had the words "al-Qa'ida" or "bin Ladin" in their position description.

We reallocated all the people we could given the demands placed on us for intelligence on a number of the highest priority issues like chemical, nuclear and biological proliferation and support to operational military forces, and we surged thousands of people to fight this fight when the threat was highest. But when we realized surging wasn't sufficient, we began a sustained drumbeat both within the Administration and here on the Hill that we had to have more people and money devoted to this fight.

We can argue for the rest of the day about the exact number of people we had working this problem but what we never said, was that the numbers we had were enough. Our officers told your investigators that they were always shorthanded. They were right. America may never know the names of those officers, but America should know they are heroes. They worked tirelessly for years to combat bin Ladin and al-Qa'ida and have responded to the challenge of combating terrorism all during this time, with remarkable intensity. Their dedication, professionalism and creativity stopped many al-Qa'ida plots in their tracks – they saved countless American lives. Most of them are still in this fight – are essential to this fight – and they honor us by their continued service.

Thanks to the last two emergency supplementals and the Administration's FY03 budget request, which both Houses approved during the past week, we have begun to move aggressively to reverse the funding shortfalls that have had such an impact on the nation's intelligence capabilities. But we have hardly scratched the surface in our efforts to recover from the manpower reductions, and we cannot reconstitute overnight the cadre of seasoned case officers and assets overseas, or the expert team of analysts we've lost. It will take many more years to recover from the capabilities we lost during the resource decline of the 1990s.

FINAL OBSERVATIONS

Success against the terrorist target must be measured against all elements of our nation's capabilities, policies and will. The intelligence community and the FBI are

important parts of the equation, but by no means the only parts. We need a national, integrated strategy in our fight against terrorism that incorporates both offense and defense. The strategy must be based on three pillars:

- Continued relentless effort to penetrate terrorist groups, whether by human or technical means, whether alone or in partnership with others.
- Second, intelligence, military, law enforcement, and diplomacy must stay on the offense continually against terrorism around the world. We must disrupt and destroy the terrorists' operational chain of command and momentum, deny them sanctuary anywhere and eliminate their sources of financial and logistical support.

Nothing did more for our ability to combat terrorism than the President's decision to send us into the terrorist's sanctuary. By going in massively, we were able to change the rules for the terrorists. Now they are the hunted. Now they have to spend most of their time worrying about their survival. Al-Qa'ida must never again acquire a sanctuary.

- Third, on defense, we need systematic security improvements to protect our country's people and infrastructure and create a more difficult operating environment for terrorists. The objective is to understand our vulnerabilities better than the terrorist do, take action to reduce those vulnerabilities, to increase the costs and risks for terrorists to operate in the United States and, over time, make those costs unacceptable to them.

We have learned an important historic lesson: We can no longer race from threat to threat, resolve it, disrupt it *and then move on. Targets at risk remain at risk.*

- In 1993, the first attack on the World Trade Center did, in comparative terms, modest damage. A plot around the same time to attack New York City tunnels and landmarks was broken up. We all breathed a sigh of relief and moved on, focusing the effort mostly on bringing perpetrators to justice. *The terrorists came back.*
- At the Millennium, a young terrorist panicked at a Canada-US border crossing and his plan to attack an airport in Los Angeles was exposed and thwarted. We breathed another sigh of relief and prepared for his trial. *Al-Qa'ida's plan has only been delayed.*
- Last winter, another young terrorist on an airliner ineptly tried to detonate explosives in his shoes and was stopped by alert crew and passengers. At this point, we're smarter—we started checking everyone's shoes for explosives. *It is not nearly enough.*

- In the last year, we have gone on high alert several times for good reason, only to have no attack occur. We all breathed a sigh of relief and thought, “maybe it was a false alarm.” *It wasn’t.*
- *We must design systems that reduce both the chances of an attack getting through and its impact if it does. We must address both the threat and our vulnerability. We must not allow ourselves to mentally “move on” while this enemy is still at large.*

I strongly support the President’s proposal to create a Department of Homeland Security. The nation very much needs the single focus that this department will bring to homeland security. We have a foreign intelligence community and law enforcement agencies, but we have not had a cohesive body responsible and empowered for homeland security. The President’s proposal closes that gap while building bridges between all three communities.

- The Department’s most important role will be to correlate threat warnings and assessments about evolving terrorist strategies with a fine-grained understanding of the vulnerabilities of all sectors of the homeland and translate that into a *system* of protection for the people and infrastructure of the United States.

While the Department will be vital to our homeland defense, the most valued resource for our work against terrorism has always been and will forever be our people.

Moving from this necessary organizational change, I cannot emphasize enough our overwhelming need to recruit and train the intelligence officers we need to win this war.

Terrorists have a tactical advantage. They can pick and choose any target they please, who are willing to sacrifice their lives, and who don’t care how many innocents they hurt or kill have tactical advantage. Developing the intelligence to combat them is manpower intensive. With the personnel we have invested in counterterrorism today, we can do much more than we could before 9/11, but more are still needed. I remind you that we lost nearly 1-in-4 of our positions since the end of the Cold War.

Our people also need better ways to communicate. Moreover, we also need systems that enable us to share critical information quickly across bureaucratic boundaries. Systems to put our intelligence in front of those who need it wherever they may be, whatever their specific responsibilities for protecting the American people from the threat of terrorist attack. That means we must move information in ways and to places it has never before had to move. We are improving our collaborative systems. We need to improve our multiple communications links--both within the Intelligence Community and now in the Homeland Security community as well. Building, maintaining, and constantly updating this system will require a massive, sustained budget

infusion, separate from our other resource needs.

Now, more than ever before, we need to make sure our customers get from us exactly what they need -- which generally means exactly what they want -- fast and free of unnecessary restrictions. Chiefs of police across the country express understandable frustration at what they do not know. But there's something else: Intelligence officers in the federal government want to get their hands on locally collected data. Each could often use what the other may already have collected. The proposed Department of Homeland Security will help develop this vertical sharing of information. So, too, will the Intelligence Community's experience in supporting our armed forces. We're going to have to put that experience to work in "supporting the mayor." We don't have the luxury of an alternative.

One last point with regard to our human talent. As critical as terrorism is, our people will not concentrate solely on counterterrorism. Even in the last year, when national attention was focused on terror, other events occurred which demanded the attention of experienced intelligence officers. The risk of an Indian-Pakistani war and the deterioration of the situation in the Mid East are just two examples. The Intelligence Community must keep skilled, experienced officers on all such issues.

CONCLUDING STATEMENT

Our effectiveness has increased since September 11, and the Intelligence Community will continue to pursue a strategy of bringing the war to the terrorists.

But in the counterterrorism business there is no such thing as 100 percent success—there will never be.

- Some of what terrorists plan and do will remain hidden. The al Qa'ida practice is to keep their most lethal plots within a small, tightly knit group of fanatics. This is not an *impossible* target, but it is among our *hardest*.
- Total success against such targets is impossible. Some attackers will continue to get through us.

It may be comforting on occasion to think that if we could find the one process that went wrong, then we could remedy that failing and return to the sense of safety we enjoyed prior to 9/11. The reality is that we were vulnerable to suicidal terrorist attacks and we remain vulnerable to them today. That is not a pleasant fact for Americans to live with, but it is the case. There are no easy fixes. We will continue to look incisively at our own processes and to listen to others in an ongoing effort to do our jobs better. But we must also be honest with ourselves and with the public about the world in which we live.

The fight against international terrorism will be long and difficult.

- It will require the patience and diligence that the President has asked for.
- It will require resources—sustained over a multi-year period—to re-capitalize our intelligence infrastructure on a pace that matches the changing technical and operational environment we face.
- It will also require countries that have previously ignored the problem of terrorism or refused to cooperate with us to step up and choose sides.

It will require all of us across the government to follow the example of the American people after September 11 -- to come together, to work as a team, and pursue our mission with unyielding dedication and unrelenting fidelity to our highest ideals. We owe those who died on September 11 and all Americans no less.