

**HEARING OF THE SENATE COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS**

Confronting the Terrorist Threat to the Homeland: Six Years After 9/11

WITNESSES:

MR. MICHAEL CHERTOFF, SECRETARY OF THE DEPARTMENT OF HOMELAND SECURITY (DHS);

MR. MIKE McCONNELL, DIRECTOR OF NATIONAL INTELLIGENCE (DNI);

MR. ROBERT S. MUELLER, III - DIRECTOR, FEDERAL BUREAU OF INVESTIGATION (FBI);

VADM JOHN "SCOTT" REDD, U.S. NAVY (RET.) - DIRECTOR, NATIONAL
COUNTERTERRORISM CENTER (NCTC)

CHAIRER BY: SENATOR JOE LIEBERMAN (I-CT)

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SEN. LIEBERMAN: (Strikes gavel.) The hearing will come to order.

I thank everyone who's here, including, of course, our four witnesses. Tomorrow, September 11th, 2007, people across our nation and in fact in many places around the world will pause to mourn and reflect on the terrorist acts -- attacks of September 11th, 2001.

Today, in this committee room, we rededicate ourselves to the memories of those lost and the families and the nation that grieve for them. Today we take time to assess the continuing Islamist terrorist threat to America and what our government is doing to protect the American people from an attack like the one that occurred six years ago.

Today we ask what lessons were learned, where do we stand in our ability to detect and deter the next attack that we know is being plotted, and is our government ready to respond effectively to mitigate the damage to our citizens and our way of life, should another terrorist attack be carried out.

The National Intelligence Council's Estimate on the Terrorist Threat to the Homeland, which was issued in July, makes the continuing dangers clear. I quote, "We assess that al Qaeda's homeland plotting is likely to continue on prominent political, economic and infrastructure targets, with the goal of producing mass casualties, visually dramatic destruction, significant economic aftershocks, and/or fear in the U.S. population," end of quote.

While the core of the 9/11/01 al Qaeda is weaker and no longer operates under the cover of the Taliban government of Afghanistan, and its forces in Iraq are now on the run, it is clear that the leadership of al Qaeda has regenerated itself, and its hateful ideology is metastasizing across the Internet.

In his tape pasted (sic) over the weekend, Osama bin Laden may sound like a rambling political candidate of the Internet fringe, railing against American business, coming out for lower taxes, expressing concern about high mortgage interest rates, and then ultimately making clear that mass conversion to Islam is the best way for Americans to secure our future.

Take it by itself, this statement might seem like the ranting of a weird but harmless person, but the fact is Osama bin Laden is a mass murderer who has the blood of tens of thousands of people on his hands. And I'm speaking not just of the more than 3,000 Americans who died on September 11th, '01, or in other terrorist attacks against the West, but also in the murder of thousands and thousands of his fellow Muslims -- men, women and children -- innocents upon whom al Qaeda has rained indiscriminate death in Iraq, Afghanistan and throughout the world.

Bin Laden's tape is another shot across our bow. It is the sound of another alarm which calls us to alertness and duty and tells us that bin Laden and his ilk are out there, and so long as they are, the life of every American is endangered.

Consider the most recent plot broken up in Germany with, I might say proudly, the help of American intelligence operatives. This plot, which German officials have said was professionally organized mostly by native Germans who were radicalized in Germany, was nonetheless carried out by these people after they traveled to al Qaeda camps in Waziristan for training.

And then remember the actual and foiled attacks that originated in England, Scotland, Spain, Algeria, Denmark and so many other places, all also locally plotted, some aimed at America and/or American targets.

And then come home and focus on the Fort Dix and JFK Airport plots, which demonstrated beyond any doubt that there are people right here in America who have swallowed the jihadist ideology and are prepared to kill innocent Americans. These are the evils and dangers of our age that we must live with and defend against.

Today we are most grateful to have as witnesses four men who are responsible for the protection of the American people from Islamist terrorism. As I look at the four of you, it is striking to me that three of you lead federal departments or offices that did not exist on September 11th, 2001, and were created in legislation that in part was initiated in this committee, passed by Congress with the support of members of both parties and signed by the president, all of which have been aimed at providing better protection to the American people than they were getting from their government on this day six years ago.

Let me say clearly that the agencies you four administer, the federal employees that you lead, and the work that you have done together has made our country a lot safer than it was on September 11th, 2001. And in fairness, though they are not here, of course, I would add the Department of Defense and the Department of State and all who work for them. There's undoubtedly some luck in the fact that America, contrary to all expectations on 9/11/01, has not suffered another terrorist attack in the last years, but it is no mere accident and not just luck. It is in good measure, I believe, because of the smart hard work that you and your agencies have done that we

have not been attacked again here at home. I say this with gratitude, but with no sense of comfort or triumph.

You and I know there is more your agencies must do and do better and that the enemy remain strong, agile and eager to attack us again. But on the eve of the sixth anniversary of one of the darkest days in American history, 9/11/01, it is appropriate that we stop and thank you and your coworkers for all that you have done in the last six years to protect us and our homeland. When we created the Department of Homeland Security, the director of National Intelligence, the National Counterterrorism Center, and supported Director Mueller's transformation of the FBI no one intended them to be static offices or organizations. We wanted them to be not just strong and capable but as agile, flexible and fast moving as our enemies.

We're still in the early days of what will be a long war against Islamist extremists. Today we want to consider what we have done and still must do together to secure our homeland and win this war.

I thank you for being here, and I look forward to your testimony.

Senator Collins.

SEN. SUSAN COLLINS (R-ME): Thank you, Mr. Chairman.

Tomorrow is the anniversary of a day that six years later still divides understanding. The loss of nearly 3,000 innocent men, women and children; the cruelty of the attackers and the courage at the Twin Towers, the Pentagon, and on Flight 93 remain beyond the ability of minds to comprehend fully or our words to express adequately.

It is appropriate that we are holding this hearing today, the eve of this somber day of remembrance. If there is one thing we fully understand about September 11th, it is that the horror of that day was made possible by what has been called September 10th thinking. What the 9/11 commission so memorably termed as a failure of imagination was exploited by our enemies with devastating effectiveness.

Events in my home state of Maine on September 10th, 2001, illustrate the collision course between innocence and hatred. On that day, Robert and Jackie Norton drove from their home in Lubec, Maine, to Bangor, the first leg of a cross-country trip to the West Coast for a family wedding. Early the next morning, a commuter plane would take the beloved retired couple to Boston where they would board Flight 11. On that day, James Roux of Portland, an Army veteran, a devoted father and a man known for his generosity and outgoing spirit, was packing for a business trip to California. He left Logan the next morning on Flight 175. On that day, Robert Schlegel of Grey, Maine, was celebrating his recent promotion to the rank of commander in the United States Navy. He was settling into his new office at the Pentagon. His office was believed to be the point of impact for Flight 77.

And on that day, Mohammed Atta and his fellow terrorists rented a car in Boston and drove to Portland. They checked into a motel, ate pizza, and made other preparations. When they boarded their commuter plane for Logan the next morning to seize control of Flight 11, they left behind a trail of dust, of financing and training, of global travel and visa violations and of known terrorism involvement that would not be connected until it was far too late. Complacency, turf battles, and intelligence

failures prevented the coordination and communication that just might have allowed the 9/11 plot to be detected in time. Nevertheless the people of our great country responded to those attacks with determination, unity, and a sense of purpose.

My concern is that our response may be in danger of flagging.

If we allow ourselves to become complacent, to revert to September 10th thinking, the next attack will not be due to a failure of imagination but to a failure of resolve.

Today's hearing is held in the context of the National Intelligence Estimate on the Terrorist Threat to the Homeland. This report judged that the United States will face a persistent and evolving terrorist threat over the next three years. The key words are "persistent" and "evolving."

This committee has dedicated itself to anticipating the changing nature of terrorism and to addressing our vulnerabilities. One of our concerns is the central issue raised in the NIE. That issue is homegrown terrorism. The NIE assessment is that a growing number of radical, self-generating terror cells in Western country (sic) indicates that the radical and violent segment of the West's population is expanding.

In our own country, as the chairman indicated, the Torrance, California, case and the Fort Dix and JFK Airport plots all illustrate that we are not immune from domestic terror cells. Those homegrown terrorists, inspired by al Qaeda's hate-filled perversion of the Muslim faith, will challenge the ability of our law enforcement and intelligence agencies to respond effectively. And they pose a challenge to all Americans to be observant and to not be afraid to report what they see.

This committee has conducted extensive investigations of this phenomenon, in particular the radicalization of prison inmates, the use of the Internet as a radicalizing influence, and the lessons learned by our European allies, who also face this threat. I'm very interested in discussing with our witnesses today how we can best counter this clear and escalating threat.

The NIE also states that al Qaeda remains driven by an undiminished intent to attack and continues to adapt and improve its capabilities.

Even more disturbing is what the report further concludes, that although worldwide counterterrorism efforts have constrained the ability of al Qaeda to attack us again, the level of international cooperation may wane as 9/11 becomes a more distant memory and perceptions of the threat diverge. In other words, we are challenged not just by a ruthless, calculating and determined enemy, but also by our own resolve.

The names of Robert and Jackie Norton, of James Roux, of Commander Schlegel and of so many others must not become distant memories. They must always remain a vivid reminder of the terrible price that was paid for September 10th thinking. The threat that was so fully and terribly revealed on September 11th is not a matter of divergent perceptions; it is a persistent and evolving reality that we must continue to confront.

Thank you, Mr. Chairman.

SEN. LIEBERMAN: Thank you very much, Senator Collins, for that statement. We'll now go to the witnesses.

Generally speaking, gentlemen, as you know, we asked you to speak to us this morning about your evaluation of the current threat environment and your own self-evaluation of the status of reform at the agencies that you lead. Obviously, we would welcome anything else you want to say this morning.

We'll begin with Secretary Chertoff.

SEC. CHERTOFF: Well, thank you, Mr. Chairman, and thank you, Senator Collins, and members of the committee. It's a pleasure to appear before you again today as we approach the sixth anniversary of that terrible day. And it's also an appropriate time to recommit ourselves and reaffirm our determination to continue to build on the progress that this committee made possible through its earlier rounds of legislation and that all of us have been working very hard over the past six years to address.

I would like to recognize, first of all, my colleagues at the table: Director McConnell, Director Mueller and Admiral Redd. All of us meet together frequently, we confer frequently and we all share with others and of course ultimately the president the responsibility to protect the American people, and, in words the president has used, "not to let this happen again." All of us recognize that this is a daunting challenge and one that requires a partnership with state and local officials, with the private sector and with our international partners.

I'd also like to take this moment to thank this committee, which has really led the charge to build the institutions that can adapt to 21st-century challenges such as those posed by this war currently being waged by Islamist extremists.

And once again, as the bin Laden tape disclosed over the weekend indicates, for our enemies this war is very much a current concern and very much in the forefront of their minds. It must remain in the forefront of our mind.

Finally, of course, I have to express my gratitude not only to the 208,000 men and women who work with me at the Department of Homeland Security protecting our borders, our sea lanes, our infrastructure and our air ways, but also my colleagues all across the government and all of the agencies represented here and others who work very hard 24/7 to protect the American people.

Over the last six years we have made some tremendous strides in making this country safer, and an answer to the question I often get asked -- it is clear to me that we are much safer than we were prior to September 11th, 2001. It's also clear to me that we have more work to be done because, as you said, Mr. Chairman, the enemy is not standing still; they are constantly revising their tactics and adapting their strategy and their capabilities. And if we stand still or worse yet, if we retreat, we are going to be handing them an advantage that we dare not see them hold.

The fact that we haven't suffered another terrorist attack on our soil in the last six years does say something about the success of our efforts so far. Now some people do say it's just because we're plain lucky;

I don't believe luck is an adequate explanation for this. Others may contend that the terrorist threat has subsided or that the United States is no longer endangered or maybe that the terrorists have lost interest. But again, I just commend the videotape we saw over the weekend as a refutation of that. I commend to you the arrests that we saw in Germany and Denmark. The enemy is very, very focused on continuing to wage this war. They have not lost interest, and if we allow ourselves to become complacent and to think that the threat has diminished, we are going to be crippling ourselves in our ability to prevent future attacks.

It is not the case that the enemy has not tried to attack us over the past several years. December of 2001, the shoe bomber tried to blow up an airliner coming to the United States; last summer the British with our help disrupted a plot that, had it been carried out, would have resulted in multiple explosions on airliners flying from the United Kingdom to the United States. So it is not for want of trying that we have not suffered a successful attack. Even in recent months, we've disrupted terrorist plots in our own country, the plot against Fort Dix and the plot against JFK Airport. Last week, German authorities thwarted a serious plot, as they themselves have acknowledged, directed in part against Americans in Europe. And Danish police also arrested terrorist suspects in their country.

These events underscore what the National Intelligence Estimate made clear, which is the enemy's effort to continue to focus on the West and to recruit operatives who can move in the West. And that's one of the reasons that I want to thank the committee for the 9/11 legislation, which has now given us some additional capabilities in plugging the vulnerability through the Visa Waiver Program. Every day at our own borders, we turn away dangerous people, including individuals with known ties to terrorism, as well as criminals, drug dealers and human traffickers.

So I sum up by saying that I believe the reason that there have not been successful attacks on American soil is not because the threat is diminished. It's because we have raised our level of protection and our level of disruption, both by undertaking action overseas and undertaking action within our own borders. It's a testament to the partnership reflected in part by those at this table, the hard work of the dedicated men and women who work for the agencies of the federal government, as well as state and local officials, and our partnerships overseas, which I think become stronger every single day.

Now, that's not to say that our efforts have been flawless or that our work is over with. On the contrary, the biggest challenge to us is not to lose the sense of urgency which animated all of us in the weeks and months after September 11. If we continue to adapt ourselves and continue to feel the need to move quickly and substantially to meet this threat, we are maximizing our ability to protect ourselves. But if we do otherwise, we are turning around and moving in the wrong direction.

Now, I have provided the committee with a fairly lengthy assessment of where I think we are in a number of areas, and I ask the committee's consent to make it part of the record.

SEN. LIEBERMAN: Without objection, so ordered.

SEC. CHERTOFF: I thought what I might take, in the next couple of minutes, is the opportunity to look at a few areas where I think we are now

addressing gaps that have not yet been filled. Part of what we have to do of course is not merely plug those vulnerabilities that have been identified looking backwards, but we need to look forward. In fact, we need to look around the corners at some vulnerabilities that haven't been spoken about, and we need to make sure that we are working to address those as well.

So let me talk about a number of those.

The first is general aviation. As this committee knows, we've spent a lot of time focused on the question of people smuggling in weapons of mass destruction through maritime containers or putting them on commercial aircraft, but we haven't looked at the question of general aviation coming from overseas as a potential vector through which weapons of mass destruction or people who are dangerous might be smuggled into the country. We are now working to plug that threat.

Later today we will be unveiling a plan to begin the process of increasing our security for overseas general aviation coming into this country substantially. The first step of this is to move forward with earlier screening of people who are on crews and/or passengers in general aviation planes crossing the Atlantic and Pacific Ocean. And we are going to use our authorities to align early reporting of crew members and passengers before takeoff in the same way we now require for commercial airliners so that we can prevent people from getting on airplanes and taking off to the United States, and, as important or more important, prevent weapons of mass destruction from getting on airplanes and coming to the United States on private aircraft. The vision of where we want to go with this moves beyond simply screening people, but ultimately looks to a process of physical screening of private aircraft overseas before they come into the United States.

We also remain mindful of the threat to our ports, not only from containers in commercial cargo vessels but from small boats and privately owned ocean-going vessels, which could seek to duplicate a USS Cole-style attack on our ports or, again, to smuggle dangerous weapons materials or people into the country. We have been working with small-vessel owners, principally through the Coast Guard and Customs and Border Protection, to assess what those risks are and to come up with a strategy that will help us efficiently, but also protectively, to address the risk presented by smaller boats and privately owned ocean-going vessels to our country.

We have, for example, in the last week launched a program in Seattle to work with local authorities to conduct vulnerability risk assessments with respect to the smuggling of nuclear materials into the Port of Seattle through private vessels. Part of this involves the deployment of radiation detection technology and equipment to key maritime pathways and choke points so that we can begin the process of radiological scanning of small vessels that might bring nuclear materials into the Port of Seattle. As we evaluate how this works in an operational environment, we look to expand this capability from Seattle to places like the Port of San Diego and also New York City, as well.

I'm also committed, as are my colleagues at the table, to particularly focus on those kinds of challenges and weapons which could have a truly catastrophic effect on the United States, and that means, of course, nuclear or dirty-bomb type attacks. We recognize that our first and most urgent priority is to prevent nuclear weapons from coming into this country

and preventing dirty bombs from being constructed and detonated. And that is, of course, where we put most of our attention. But we do have to recognize that should our actions fail, nuclear forensic and attribution capabilities would be critical in protecting against a follow-on attack and also in making sure that we responded to anybody who launched nuclear bombs attack us -- nuclear bombs against us using terrorists as the delivery vehicle.

Therefore, even before an attack occurs, our ability to demonstrate that we have real and robust forensic and attribution capability will give us a significant measure of deterrence value, particularly against any state actor that had it in mind to use terrorists as a disguised method of delivering a nuclear bomb against the United States.

That's why we've created the National Technical Nuclear Forensics Center, which is an interagency center focused on forensics and attribution, and that -- it's housed with our Domestic Nuclear Detection Office. I had an opportunity last week to meet with the interagency leadership executive committee of that center. It is dedicated to continuing to develop and improve and to sustain a rapid and credible capability to support attribution conclusions and potential responses to a nuclear attack or a dirty bomb in this country. I think that is a critical element of our protection and response to catastrophic attack.

The Nuclear Forensics Center involves partnerships all across the federal government, including very deep partnerships with my colleagues at the table here today, DNI, FBI and the NCTC.

Of course, our improvements to screen, critical infrastructure protection, and intelligence fusion and sharing have to continue. We have to continue sharing intelligence horizontally and vertically. Again, I want to commend the chairman and the ranking member for their leadership on information sharing in past sessions of Congress. And we are dedicated to being a full partner in the information-sharing environment, of which more will be heard -- about which more will be heard later this morning.

Finally, I would like to observe that one of the, again, cutting-edge elements of this information sharing has to do with biological threats. Providing early warning biosurveillance on human and animal health, the protection and vulnerabilities of the food and water supply, and the environment in general as it relates to biological conditions is a critical element in getting early warning and rapid response to a biological threat, whether that be a natural threat or a man-made threat.

We have recently established the National Biosurveillance Integration Center, which will fuse clinical data, intelligence information and what we get from our biowatch sensors into a comprehensive analysis of biological threats and events.

While considerable work needs to be done to get this center fully deployed and fully operational, we have made some considerable progress, particularly in the last year. And again, this is a classy (sic) example of an interagency effort, including not only those at this table but the Departments of Defense, State, Interior, Agriculture, Health and Human Services, and Transportation. Let me conclude by saying that as we honor the victims of September 11 tomorrow, I hope that the anniversary of that day is not merely an opportunity to commemorate the loss of life or to celebrate

heroism, but also an opportunity to rededicate ourselves to the struggle and to recognize the most important lesson is "Never again," at least to the limit our human abilities.

I'd like to thank the committee for your ongoing support and for the opportunity to testify at the hearing. I look forward to continuing our important work in protecting the American people.

SEN. LIEBERMAN: Thank you very much, Secretary Chertoff, for an excellent statement. I particularly want to thank you for those announcements toward the end of your statement about what you're doing to try to raise the security with regard to private aviation and boats coming into the country, as well as the development of a center to make sure that we have the forensic capability to consider rapidly the after-effects of a nuclear attack.

This is a gruesome business, but as Senator Collins said and the 9/11 commission said, it was a failure of imagination -- which is to say a failure to imagine that anyone could possibly do what the terrorists did on 9/11/01 -- that created part of the vulnerability we had on that day. And I think you are imagining now what our enemies might do to attack us, and you're attempting to close those vulnerabilities. So I appreciate it very much.

The Department of Homeland Security, as we know, was created out of Congress. The next two agencies we're going to hear from, the DNI and the NCTC, National Counterterrorism Center, were the two leading recommendations of the 9/11 commission, the so-called Kean-Hamilton commission. It strikes me that since they're both headed now by retired admirals that we may have to revise MacArthur's old statement and say that old sailors not only don't die, they don't even fade away. (Laughter.) They come back and serve their country and for that, we are extremely grateful.

Admiral McConnell, the director of National Intelligence -- Senator Warner is added to the list as well. (Laughter.) You're not calling yourself an old sailor, are you?

SEN. WARNER: You better believe it.

SEN. LIEBERMAN: Yeah, okay. (Laughter.)

SEN. WARNER: I'm older than these guys.

SEN. LIEBERMAN: Admiral McConnell, go ahead.

MR. McCONNELL: Sir, Senator Warner was the secretary of the Navy when I was briefing him as a young lieutenant, so thank you, sir.

Mr. Chairman, Senator Collins and members of the committee, thank you very much for the opportunity to appear before the committee, provide a status of our efforts to confront terrorism to the nation. I also appreciate the opportunity to describe the implementation of the reforms mandated by the Congress and the president since 9/11 and, as has been mentioned, six years ago tomorrow. My biggest concern, as mentioned by Senator Collins, is going back to September 10th thinking by many in our country.

As stated in our July National Intelligence Estimate, the level of focus and commitment may wane in time. The threat is real, and we must remain vigilant. As noted, in July, my office released the National Intelligence Estimate, the intelligence community's most authoritative judgment on a particular subject, and this was the terrorist threat to the United States homeland. In our key judgments, an unclassified version of which has been mentioned here and is posted on our website, for the period of the -- three-year period of the estimate, we assessed that our nation faces and will continue to face a persistent and evolving threat, mainly from Islamist terrorist groups and cells and most especially al Qaeda. The terrorist threat without question is real. I will share with you today how we in the intelligence community are working to counter these threats. I also have submitted a more comprehensive overview in my statement for the record, and I ask that it be submitted to the record.

SEN. LIEBERMAN: Without objection.

MR. McCONNELL: To confront today's threats, we have made many changes in the way we conduct intelligence, law enforcement, homeland security, diplomatic and defensive activities. Our greatest progress can be concentrated, I believe, in four areas. First, by improving our organizational structures to meet the new threats of this century.

Next, by fostering greater information sharing to provide the right information to the right people at the right time, largely driven by this committee; strengthening our intelligence analysis; and fourth, implementing the necessary reforms that allow us to build a dynamic intelligence enterprise that promotes diversity to gain insight and to sustain a competitive advantage against those that we are seeing as adversaries.

First, let me touch on the structural improvements in the intelligence community. One of our challenges with integrating foreign and domestic intelligence -- that is foreign intelligence collected inside the United States -- we are ensuring that we collect the right information to most accurately and objectively reflect the threat inside the United States. We are better able to do this with the establishment of the FBI's National Security Branch, NSB. The NSB integrates the FBI's counterterrorism, counterintelligence, weapons of mass destruction and intelligence programs allowing for a coordinated focus on collecting foreign intelligence within the United States. And of course, as mentioned, the NCTC, the National Counterterrorism Center uses all that information with foreign-collected information to provide a more comprehensive picture.

Second, with regard to our structure, creation of the National Clandestine Service at CIA to guide all clandestine HUMINT operations across the community with the most effective leadership allows for better oversight and coordination we did not have before.

Thirdly, we are working to dismantle stovepipes, the "stovepipe" mentality inside the intelligence community. This mindset is where an agency can produce and limit within its walls vital national intelligence. One way we promote greater collaboration is by using cross-community mission managers to identify intelligence priorities, gaps and requirements. Mission managers engage in strategic planning and collection management against our hardest targets. Today we have mission managers for North Korea, Iran, Cuba and Venezuela, counterterrorism, counterproliferation and counterintelligence.

Finally, with the support of this committee, we have established a program manager for information sharing environment to enhance our sharing of terrorism information not only among federal, but also among state, local, tribal governments, as well as the private sector.

Let me turn now more specifically to information sharing. Our efforts to improve information sharing mechanisms are of special significance given that the failure to do so contributed to our inability, or our failure to prevent the 9/11 attacks.

In our July National Intelligence Estimate, we assessed that al Qaeda is planning to attack the homeland, is likely to continue to focus on prominent political, economic and infrastructure targets with the goal of producing mass casualties, visually dramatic destruction and significant economic shocks, and of course, as mentioned by the chairman, the intent is to create fear among our population. To counter this, we must depend not only on the 16 agencies of the intelligence community, but also on the eyes and ears of our state and local partners across the country. And more than depending on them, we must be willing to share threat information and work with them to protect our nation. We believe that state and local partners can no longer be treated only as first responders, but also as the first lines of prevention.

In the past six years, the program manager for information sharing has led the charge to transform our policies, prophecies, procedures, and most important, workforce or workplace cultures to reinforce sharing terrorist information as the rule, not the exception. I've also made improved information sharing a centerpiece of the DNI's strategic planning going forward. All of the effort to implement the information sharing environment is well under way. It is essential that the implementation activities take place within a broader strategic context of enhancing our nation's ability to combat terrorism. The ultimate goal is not simply information sharing for the sake of sharing; the objective is to improve our national capacity to protect our nation from future attack. We are working very hard to do just that.

Let me now turn to analysis. We are in the process to fundamentally reform our analytical process. In addition to focusing on improved formal training and analytical rigor, we are moving the intelligence community towards implementing a community-wide information technology architecture that allows, among other things, analysts to better share and to collaborate. This means community-wide computer connectivity and standardized information sharing policies. So whether you're an analyst in Hoboken or Honolulu, a special agent in the FBI or a soldier on the front lines, we'll be able to contribute to and benefit from accurate and timely intelligence. This is balanced, of course, so that we do not compromise operational security, consistent with our responsibilities to protect sources and methods.

The Office of the Director of National Intelligence is also developing virtual communities for analysts who can securely exchange ideas and expertise across organizational boundaries to find, access and share information to make their analytical judgements. We are better engaging outside professionals who can challenge our analytical assumptions, provide deep knowledge, insights and new ways of thinking. We conduct red teaming and alternative analysis to ensure we have examined all possibilities in our analytical process.

We also have taken steps to ensure the impartiality of our analysis and our analytical products. As mandated by the Intelligence Reform Act, we've established an assistant deputy director for Analytical Integrity and Standards. This person serves as the focal point for analysts who wish to raise concerns regarding politicalization, bias, lack of objectivity, of appropriate alternative analysis or dissenting views. We also have made qualitative improvements to our analysis, specifically our National Intelligence Estimates.

Key judgments are written to explore more thoroughly the implications of our critical underlying conclusions. Appendices and annexes now provide full transparency in our analytical judgments by describing analytical train of reasoning we used to arrive at our conclusions, and the main text now highlights the most -- the full range of analytical judgments and their implications, bringing dissenting opinions to the fore so policymakers, such as members of this committee, can have the benefit of the full analytic picture.

Let me move now to implementing necessary changes in our policy and our practices. I will turn to the policies we have enacted across the intelligence community as well as policies we are currently pursuing through our recently completed 100-day plan and the upcoming 500-day plan. These reforms will allow us to better confront threats to the nation as we go forward.

In June, I signed a directive mandating civilian joint duty for intelligence officers across the intelligence community. This initiative was started by Ambassador Negroponte as far back as 2005. It was difficult to get agreement, but it's now passed. Now it's up and running. If an up-and-coming officer aspires to be serving at the senior reaches of the community, he or she will have to serve a tour of duty at a different agency outside their parent agency during their career. The experience provides the officer with broader perspective and brings the community towards a higher level of collaborative behavior. Our approach was patterned after the successful Goldwater- Nichols bill of 1986 that moved DOD to military jointness.

We also have been working to recruit intelligence officers with the needed background and skills that will strengthen our abilities. We are developing programs to recruit young people from all walks of life, including first-generation and second-generation Americans and members of traditionally underrepresented groups with language skills and cultural understanding that we need for the insights and for our analysis. Recruiting new and talented employees means little, however, if we are unable to get them through our security process; therefore, we have a pilot project with the Department of Defense to see if we can go much faster, using an automated process, commercial- best practices and then a new approach for life-cycle monitoring once you're on the inside. We've accomplished a great deal, but we still have a lot more to go.

To better integrate the intelligence community, we initiated a deliberate planing process based on the principles of transparency, accountability, deadlines and deliverables. The first phase of these efforts were spelled out in our hundred-day plan. They were designed to jump-start the necessary reforms in the community to build momentum.

The next phase, our 500-day plan, started in August. It is intended to sustain and accelerate the momentum, with an expanded set of initiatives

and greater level of participation. Our plan was developed through a community-wide effort through the use of working groups, blogs and wikis to solicit inputs from the community.

I'm happy to report that enthusiastic participation by the community allowed us to put together what we think is a comprehensive plan. This plan will be executed through cross-organizational and community-wide engagement. Our primary emphasis is improved collaboration across the community. Working groups from each of the areas will focus on the key issues and engage the key stakeholders. Our intent is to integrate the intelligence community and enable cross-organizational collaboration across critical mission areas to serve our customers better, but more importantly, to better protect the nation. We must continue to accelerate our efforts.

In closing, we have come a long way over the past six years developing a more integrated, more collaborative community. I believe the result is a stronger community better able to protect the nation. I think the nation is better protected today than it was six years ago, but we must remain vigilant. We must remain engaged.

Mr. Chairman, that concludes my prepared remarks. I look forward to your questions.

SEN. LIEBERMAN: Thanks very much, Admiral McConnell. I have a few that I hope we can build on during the Q&A period. Particularly I appreciate your last thoughts there, which is that you're moving toward an integrated, collaborative intelligence community, which is part of what we did not have on 9/11 '01.

Admiral Redd, thanks for being here. Thanks for your service. I'll just say in introducing you that, oh, more than a year ago, Senator Collins - - went out and spent a good part of a day at the National Counterterrorism Center. It was one of those occasions when you have the satisfaction of actually seeing something that was -- it was called for and legislation enacted and carried out.

And I remember we said to each other, and went home that night and said to my family, "I was at the NCTC today, and you all will have reason to feel more secure tonight as a result of what's happening out there." So I thank you for that and we welcome your testimony now.

MR. REDD: Thank you, Mr. Chairman. And that's a very good point, that words do eventually mean -- they do mean something and they do translate into tangible things, and NCTC is a very tangible example of that.

Chairman Lieberman, Senator Collins, distinguished members of the committee, thank you for the opportunity to testify before you today on our nation's efforts to confront the terrorist threat to the homeland since 9/11. I also have a short oral statement and would ask that my longer written statement be submitted for the record.

SEN. LIEBERMAN: Without objection.

MR. REDD: And before we leave the old sailors analogy, I would note that Director Mueller, as a former Marine, is a member of the Department of the Navy, which is probably about as far as we can take that discussion without going into -- getting into trouble here. (Laughter.)

SEN. LIEBERMAN: Remember, we're looking for collaboration here.
(Laughter.)

MR. REDD: (Laughs.) Yes, sir.

MR. MUELLER: Our liaison just broke down. (Laughter.)

MR. REDD: In the six years since 9/11, the United States government has taken significant steps, sir, to improve our understanding of the terrorist threat and our ability to combat it. And many of those steps are indeed the result of the Intelligence Reform and Terrorist Prevention Act, which was championed by this community, and for that, sir, we -- and ma'am -- we are -- madam -- we are in your debt.

While I'm going to focus today on the progress we've made, I would just start with the comment that none of what I say should obscure the real and significant challenges that we continue to face. We are in a long war, and our enemy is determined and dangerous. Our counterterrorism efforts have disrupted some of the enemy's plans and diminished certain capabilities, but the events of the last days and the last weeks clearly demonstrate the clear and present danger which continues to exist.

With that in mind, let me turn briefly to the role the National Counterterrorism Center, or NCTC, plays and continues to play on the war on terror. Today, as directed by the legislation, NCTC has two roles, two fundamental roles. In military terms, I wear two hats. The first is a very familiar one to everyone. That's intelligence. And in that hat I report to Admiral McConnell, the director of National Intelligence. The second hat has to do with a thing called strategic operational planning, which is a new and, I believe, revolutionary capability in our government. And in that hat, I report to the President.

Let me first turn to NCTC's role in counterterrorism intelligence. As envisioned in the legislation, analysis is the heart and soul of NCTC's intelligence mission. More than half of our government workforce, which is about 400 people, is devoted to this effort.

I would submit that today NCTC provides the best example of all-source, integrated analysis in the intelligence community. There are two primary reasons for that, some of which have been alluded to here. First, NCTC is the only place in the U.S. government where all intelligence, both foreign and domestic, comes together. Secondly, we are, as indicated and directed in legislation, a truly joint organization. Virtually all of our analysts come from other federal agencies, and this allows them to leverage the diverse skills and backgrounds of their co-workers in reaching their analytic conclusions. In addition to producing analysis, NCTC also has a mandate to integrate analysis across the intelligence community. The net result of this effort is a full spectrum of intelligence product for policymakers and operators. These range from raw intelligence products, such as our Threat Matrix, which is designed to provide immediate situational awareness of an impending threat, to more in-depth types of analytic products, which -- for example, the president's daily brief, or PDB.

Significantly, virtually all of the reports for senior policymakers are coordinated through NCTC as the DNI's mission manager. The purpose of

that is to ensure that differing views are not only represented, but that they are also put in context.

So, how has all this played out in the real world? Perhaps one of the best examples occurred a year ago during the U.K. aviation threat. In this, the most significant threat to the homeland since 9/11, NCTC worked hand in glove with DHS, FBI, CIA, NSA and others to share intelligence and provide integrated analysis in a very, very dynamic environment.

When the president and the National Security Council met, NCTC gave the intelligence briefing, combining both foreign and domestic information. In my view and the view of others, that is exactly what the legislation had in mind when you established NCTC. Another key function of NCTC is information sharing. Let me give you three examples now of how we have improved information sharing, I believe dramatically so, since 9/11.

The first is NCTC online. Simply put, this is the nation's premier classified website for counterterrorism intelligence. Maintained by NCTC, these highly classified -- this highly classified electronic library contains over 7 million counterterrorism documents -- or terrorism documents. These reports come into NCTC on over 30 networks from over 60 organizations, and is instantly available to around 8,000 analysts around the world.

Second example of information-sharing is what we call the Terrorist Identities Datamart Environment. Got to have a good acronym, so it's TIDE. Today, the U.S. government has one central knowledge base of all known and suspected terrorists. It's maintained by NCTC and is based on all-source classified information. Every day, we distribute a sensitive but unclassified extract, which is the basis for various screening activities. We send that to Bob Mueller's folks at the Terrorist Screening Center, and that becomes the information which provides checks, for example, entry checks at borders, and Secretary Chertoff's business, consular checks for visa applications in State Department, and TSA's no-fly list.

The third example of information-sharing deals with situational awareness. Every day, NCTC chairs three secure video teleconferences: 8:00 in the morning, 3:00 in the afternoon, 1:00 in the morning. That's across the community, make sure everybody's on the same page. Our watch center is open 24/7, passing information as events occur, again, around the intelligence community, and significantly physically co-located with the FBI and CIA's watch centers for counterterrorism. And of great significance for those who've been in the intelligence business, there are no doors between those watch centers.

Let me now turn briefly to NCTC's second role in the war on terror - - strategic operational planning. In this role, we lead an interagency planning effort that brings all elements of national power to bear in the war on terror. This effort also involves a spectrum of activities, from deliberate long-range strategic planning to more dynamic short-range operational planning efforts. An example of the former is the National Implementation Plan, or the NIP, which was approved by the president last year. The NIP serves as the nation's strategic blueprint for the war on terror and it integrates the full weight of our diplomatic, homeland security, law enforcement, financial and military activities, as well as intelligence. At the other end of the planning spectrum are more operational planning efforts, including those established to address specific threats.

The interagency task force, which deals with the current heightened threat environment, is an ongoing example.

So where does all this leave us? Despite continuing and significant challenges, I believe that today, six years after 9/11, the United States is better prepared to fight the war on terror than at any time in our history. Let me give you seven reasons why I say that.

First, our intelligence is better. Terrorists are a tough target, but our collection, our analysis and our production are significantly improved.

Secondly, we have made major strides in information sharing and getting intelligence to the people who need it to take action.

Third, we are taking the fight to the enemy and have achieved significant successes in the field. Thousands of terrorists have been taken off the field of battle and dozens of plots have been disrupted.

Fourth, we are attacking every element of the terrorist life cycle, including terrorist travel and terrorist finance.

Fifth, and very importantly, this is not only an American effort. We are working more closely and more effectively with a greater number of allies around the world to defeat the terrorists.

Sixth, and of special interest to this committee, we have taken significant steps to make the homeland a hostile place for terrorists to enter and operate.

Finally, through a new strategic planning effort, we are laying the groundwork to take the efforts already under way to a new level of integration and effectiveness.

All of this means to me that we are safer today than we were on September the 11th, 2001. But we are not safe, and nor are we likely to be for a generation or more. We're in a long war; we face an enemy that is adaptable, dangerous and persistent, and who always has a vote. While we have won many battles since 9/11, there are many battles yet to be fought and we must anticipate that there will be setbacks along the way. Thank you, sir.

SEN. LIEBERMAN: Thank you, Admiral Redd, for that excellent testimony.

Director Mueller, obviously the FBI is the senior institution at the table, pre-existing 9/11, but under your leadership has gone through quite a significant internal transformation to meet this new threat to our homeland. So I thank you for being here, thank you for what you've done, and look forward to your testimony now.

MR. MUELLER: Good morning and good morning, Senator Collins and members of the committee. I also appreciate the opportunity to be here today to discuss the terrorist threats facing our nation as well as those steps, measures the FBI has taken to confront those threats. After September 11th, the FBI's priorities shifted dramatically. The FBI's top priority is and will continue to be the prevention of another terrorist attack. By joining

our traditional collection expertise with our expanding intelligence capabilities, we have had a number of successes in the war against terror, several of them mentioned here today, from Portland, Oregon; Torrance, California; to Chicago to the recent Fort Dix and JFK plots. Indeed the development of a mature intelligence and national security infrastructure is and will continue to be a key to our success.

We've established the National Security Branch and the Directorate of Intelligence as dedicated and integrated intelligence services within the bureau. And beginning immediately after September 11th, we have made significant strides in reshaping the way we meet our mission. We have doubled the number of intelligence analysts on board, tripled the number of linguists, set up field intelligence groups comprised of FBI, federal, state and local partners in each of our 56 field offices. And today, intelligence is woven throughout every FBI program and every operation.

While much of the United States government's attention is focused on, and rightfully so, on al Qaeda's reach from abroad into the United States, homegrown radicalization also exists. The role of our law enforcement partners is absolutely critical to identifying individuals and groups presenting this threat, especially through the FBI's joint terrorism task forces, of which there are over a hundred today.

And moreover, outreach to Muslim and South Asian communities plays an essential role in helping the FBI to identify violent extremists within those communities. To that end I periodically meet with members of major Muslim and Arab community-based organizations, civil rights groups, as do senior executives at FBI headquarters. Special agents in charge of all of our 56 field offices conduct town meetings with members of Arab and Muslim communities, and members of the Arab-American community attend the FBI Citizens' Academy, an eight-week program designed to give community leaders an overview of the FBI and the Department of Justice procedures and operations.

And while the FBI and other members of the intelligence community -- several sitting here today -- and state and local law enforcement partners have been successful to date in preventing another major terrorist event within the homeland, that we cannot rest easy. Al Qaeda and other extremist groups continue to have the will and the ability to attack us, and we must all continue our vigilance, commitment and efforts to keep America safe.

The FBI was created nearly 100 hundred years ago to address crime crossing state boundaries, though the threats we now face are global and technology is moving more quickly than we could have foreseen just 10 years ago. And we together, those of us at the table and in the FBI, must continue to protect the security of our nation while upholding the civil rights guaranteed by the Constitution.

And, Mr. Chairman, Senator Collins, members of the committee, I appreciate the opportunity to testify this morning, and I look forward to answering your questions.

SEN. LIEBERMAN: Thanks very much, Director Mueller.

Gentlemen, I'd say that my impression, as I listen to the four of you -- and I hope that others across the country will be able to do so -- is that the picture of a great nation that was attacked on 9/11/01 in a way that

we simply did not anticipate -- now marshaling our enormous resources and patriotism to defend against another such attack. So again, there's -- no one at the table, no one up here is feeling comfortable because the enemy's out there, but I think the composite picture is of enormous progress that's been made to close the vulnerabilities that existed on 9/11/01, and again for that, I thank you.

We're going to have a six-minute round here at the beginning. Votes will go off at 11:00, but I'm going to keep the hearing going and just ask us to take turns going over to vote and coming back.

I want to talk in specifics about the collaboration. And, you know, the 9/11 commission and others, in looking back at 9/11/01, pointed to the gaps, particularly between the CIA and the FBI, in sharing information, some of which came from a(n) historic, sort of pre-9/11 mind-set about where the responsibility of each was and how you couldn't have anybody involved in foreign intelligence work with domestic law enforcement. Obviously, we're in a different kind of war now, where the lines between foreign and domestic are effectively blurred if not eliminated, and I wanted to ask both Director Mueller and Director McConnell if you would just address briefly whether you think that the gaps that have existed between -- that existed between the two communities have been effectively closed since 9/11.

I mean, Admiral Redd had it -- sometimes a picture is worth a thousand words. When I -- we were out at the NCTC, we noted that there was no door between the -- (chuckles) -- CIA desk and the FBI desk. But beyond that, are you sharing information?

Admiral McConnell?

MR. McCONNELL: Sir, I think the gap is significantly less than it was. I think we are still closing it. It's the process of transforming cultural or human behavior.

As you mentioned, the walls between us -- that was generated in a period, '70s, '80s, the difference between foreign intelligence and domestic activity -- was significant. In my view, that was one of the things that contributed to our failings at 9/11, September 2001.

So while legislation has changed, so we can now talk to each other -- as opposed to going one way, it can go back and forth -- we've created the national security branch in the FBI to actually have an intelligence mission more focused on this sort of thing -- so I think we're significantly better, but I wouldn't want you to take away from this that we've done everything that we need to do. It is truly cultural transformation. This means human behavior.

SEN. LIEBERMAN: Good --

MR. McCONNELL: That's one of the reasons we pushed the joint duty approach to get people to serve in the other person's organization.

SEN. LIEBERMAN: Fair enough.

Director Mueller?

MR. MUELLER: I would support what the admiral said, and I would mention three things.

The impediments to sharing that there were before September 11th have been removed. The Patriot Act is in some large part attributable or responsible for breaking down those walls.

Secondly, the NCTC, as a mechanism for sharing, has worked exceptionally well. There are no doors; there are no walls in terms of the exchange of information, the quality and caliber of the analysis that is done there. And third, the exchange of personnel. Now that the walls have been broken down, the ability to trade personnel and information, we have established a national security branch, the number-two person in the national security branch, Phil Mudd, is from the CIA, as an example of the exchange of personnel and the importance we all recognize of sharing information, exchanging information, integrating information, whether it be collected overseas or collected domestically.

And finally I would say that I would agree that we've made substantial strides, but we have a ways to go.

SEN. LIEBERMAN: Thanks.

The obvious fact is that intelligence gathered overseas may directly relate to intelligence that we need here at home to protect against an attack on our homeland.

We are, as we've all said, at war, and in this war, even more than in traditional wars, intelligence is critically important to prevent enemy attacks. Part of what we've tried to do is adjust our intelligence-gathering system and our technologies to that new reality.

Admiral, before we broke for August we had quite a go-round about FISA, and we adopted legislation. I wanted to ask you to speak for a moment about that, and if you can in this open setting, there have been some press suggestions, media suggestions that the U.S. through your office was able to assist the German government in the apprehension of those plotting terrorist attacks against American targets in Germany -- could you comment on that specifically and more generally on how this system we adopted in July -- early August is going?

MR. McCONNELL: Yes, sir. Thank you, Senator.

With the Foreign Intelligence Surveillance Act under consideration for updating, we found ourselves in a position of actually going backwards, losing capability, because of the interpretations of the law. And --

SEN. LIEBERMAN: Right, by courts.

MR. McCONNELL: Yes, sir. By the FISA Court looking at the requests it was actually taking us too much time, and because of the interpretations, we were losing ground. So the approach we took was to ask for basically three things.

First of all, do not require the intelligence community to obtain a warrant when we're targeting a foreigner, a terrorist in a foreign country. We had found ourselves in the position, based on the interpretation of the

law, we were being asked to get warrants against terrorists operating in a foreign country. So we asked for relief for that.

The second thing, for those that -- private entities that assisted us, we needed to have some protection for them with regard to liability.

And the third thing, quite frankly, was in the interests of protecting civil liberties and the privacy of Americans we felt it was appropriate to be required, as we were in the old FISA legislation, to have a warrant for any time we target a U.S. person. That would include even a foreigner in this country suspected of being a terrorist. So we thought it had the right balance.

It was passed, as you well know, and we're very pleased with that. And we're better prepared now to continue our mission; specifically Germany, significant contributions. It allowed us to see and understand all the connections with --

SEN. LIEBERMAN: The newly adopted law facilitated that during August?

MR. McCONNELL: Yes, sir, it did.

The connections to al Qaeda, the connections specifically to what's referred to as IJU, the Islamic Jihad Union, an affiliate of al Qaeda. Because we could understand it, we could help our partners through a long process of monitoring and observation, realizing that the perpetrators had actually obtained explosive liquids, hydrogen peroxide, which they would condense -- or try to condense to an explosive.

And so at the right time, when Americans and German facilities were being targeted, the German authorities decided to move.

SEN. LIEBERMAN: Thank you.

Senator Collins.

SEN. COLLINS: Admiral, you recently said, in an interview with Newsweek, quote, "We're going to get hit again." Secretary Chertoff talked today about some of the possible lines of attack that he's working on; for example, general aviation, small boats. When you look at the intelligence, what kind of attack do you believe we should be preparing for?

MR. REDD: Thank you, Senator. First of all, there were two parts of that interview, which, as you know, sometimes get conflated. One is the heightened awareness or the heightened threat environment, in which we are right now. And the second is the statement which I also made in my oral statement, that over time, over a 40-year generational period, just statistically, batting a thousand would be very difficult, and that's where I said we may get hit again.

I mean, the short answer is you can't focus on any one of those. We look at -- we watch very carefully what al Qaeda is saying. We watch their planning. There is a certain sense at which they tend to come back and be persistent and try the same things again. As was indicated in the NIE, they are focused on large elements or large- reaction things to our transportation

system. Particularly aviation has been something. But we can't just look at one of those, we have to look across the board.

SEN. COLLINS: Secretary Chertoff, if you look at the recent plots that were thwarted in this country, if you look at Germany just last week, at Scotland, London, the JFK plot, it appears that terrorists still are looking at bombs and that they're looking at IEDs as the weapon of choice. What is DHS doing in the area of IEDs?

SEC. CHERTOFF: Well, Senator, I think you're correct that the attack weapon of choice still is the IED, and we're doing a number of different things, all of which I think will soon be captured in a strategic document directed both by Congress and the president. But let me go through some of the major elements of what we're doing.

Of course, we begin with detection. We want to detect and prevent something from going off. One element of that of course is technology. Through our Science and Technology Directorate, we are doing research in such things as technology that will enable us to detect liquid explosives, even when they are in a container, and to detect those liquid explosives rapidly and accurately in an operational environment.

With respect to other kinds of technological issues, of course the Defense Department is doing a lot of work based on what on they're seeing in Iraq and other places overseas; we get the benefit of that. And then through our Office of Bomb Prevention, which is part of the Directorate of Infrastructure Protection, we actually educate state and local bomb detection and bomb prevention units in what they ought to look for and how they can deal with these threats.

A second element of course is detecting someone who's trying to bring a bomb into an airplane or into a transit or some other part of infrastructure. Part of the process of doing that of course is deploying the existing technology; part of it is the enhanced use of what we call VIPER teams, which are teams with K-9s and other hand-held detection equipment that we can surge into mass transit. We do that in response to a particular threat, we do it in response to a high-profile event like the Super Bowl or something of that sort, and we do it on a random basis.

A third element is the use of behavioral observation. This is a technique which we see overseas sometimes at airports. The Israelis use a version of this. We actually use it at the border; we train people in how to observe behavior in a way that tips off somebody who might be planning to do us harm. And so as we have increased training and deployment of behavioral units at our airports and other locations, that's given us another element.

So we use the whole spectrum of tools, whether it be advanced scientific research, widespread deployment of existing technology, the use of dogs and training of our screeners and of state and local officials in how to detect different kinds of components and suspicious behavior.

SEN. COLLINS: Director Mueller, there was a report last week by the inspector general at the Department of Justice that was very critical of the terrorist watch list that is maintained under your direction. On the one hand, the IG found that there were several known or suspected terrorists who were not listed appropriately, and the IG was also critical that there were innocent people on the list and that it was very difficult for them to

be removed from the list. All of us have had examples of constituents who have been on the list because their name is similar from someone -- to someone who should be on the list. What is your response to the DOJ IG's criticism of the watch list? This obviously is an important tool, but its usefulness is lessened if it's not accurate and complete as possible.

MR. MUELLER: Well, we absolutely agree with that, that it has to be, you know, as up to date as possible with the latest information. The IG's report gave us some credit for having made substantial strides since his previous report but still focused on two areas in which we've still got a great deal of work to do.

The first is in terms of redress; since his last report we've established an Office of Redress.

It is operating. I think both the IG as well as ourselves would like it to operate faster, but it is operating successfully.

The second area is in the quality assurance of the information that we get, assuring that it is updated so that persons who may have been on the list at some point in time, when we have additional information, are removed from the list. And again, as is often the case, it's a question of money and personnel, and we are putting money and personnel into assuring and upgrading our quality assurance. The IG made 18 recommendations; we are following up on every one of those recommendations. I pointed to a computer glitch called a computer glitch writ large in terms of the individuals that in a particular instance -- but it was over a period of time -- did not make it on a list, and that has been remedied. So we have taken each one of the recommendations from the IG and are working on those recommendations.

One more recent example is we have been able to go through and scrub the no-fly list and cut it in half, and so we are making progress in terms of the goals that we share with the IG in assuring the quality assurance on the list. But it is and has been exceptionally successful in terms of doing what it was established to do, and that is identifying persons whom we do not want to let into the country, identifying persons who may be in the country and giving us some indication as where they are and what they're doing.

SEN. COLLINS: Thank you.

SEN. LIEBERMAN: Thanks, Senator Collins.

As is the custom of the committee, we call on order of appearance. So the next three are Senator Tester, Senator Coleman and Senator Warner.

SEN. JON TESTER (D-MT): Thank you, Mr. Chairman, and I appreciate the panels coming here today and testifying before us. I want to add my voice to the many colleagues and witnesses in remembering the midst of the wars of September 11th. They are real stories of bravery -- cops, the firefighters, regular folks who performed acts of heroism that inspired then and inspire now. We should truly give thanks to those folks whose action represented the best of what this nation is truly about.

Six years ago today, I was a regular farmer in Montana unprepared for what was going to be happening in the next day, and today I'm still a farmer, although I spend a little less time on the farm. But interesting to

hear today about how our nation has made advances but still need to strive for better preparedness.

In listening to the testimony this morning, we've made some progress most impressively in first responders and sharing of information to deal with potential threats and actual emergencies. In other areas, we still need improvement. Some of it's due to new agencies; Secretary Chertoff, as well as your predecessor, have built a new agency, and I understand, Admiral McConnell, the DNI has only existed for two years. But in too many areas we've seen a real lack of urgency. The fact there appears to be real effort to track individuals who overstay their visas, for example, is particularly shocking and troubling to me, especially when we try to address the immigration problems we face, as well as the homeland security problems we face. The fact is there's still gaps, huge gaps in security of our food supply needs to be addressed.

Dr. Mueller and others, I think that you folks have got it absolutely right when you talk about the threat of complacency in this world post-9/11.

I'd like to also talk a little bit about the men and women of our Customs and Border Patrol. I've had a chance over the years to visit with many of them who work the northern border that we share -- that Montana shares with Canada. They work very hard, but too often many of them are overwhelmed with staff shortages and other personnel matters that can limit their ability to do their job. As you gentlemen point out, they need to be right every time while the terrorist only needs to be lucky once.

We have seen the GAO investigators that have been able to bring certain radiological materials across the northern border, and we've seen potential terrorists attempt to cross the United States through the northern border. And as I understand it, we are about 1,722 Custom officers and 488 Border Patrol officers short on the Canadian line.

I can tell you, my staff and I have heard a lot of complaints from folks trying to cross the border -- DHS employees, from constituents traveling through these border crossings.

I will start my questioning with Secretary Chertoff. And that is, from your perspective, head of the Department of Homeland Security, what's the plan for getting staffed up at the northern border?

SEC. CHERTOFF: Well, first, let me say, Senator, that we -- I guess when the president started his term, we had about 9,000 Border Patrol. As of last week, we had about 14,400, and we are on track to being at 18,330 by the end of next year. So we're going to be doubling it.

Obviously the largest element of the Border Patrol has gone to the southern border. And that's because between the ports of entry, 99 percent, 98 to 99 percent of the illegal crossings are at the southern border rather than the northern border. What we try to do on the northern border is use air assets, sensors and high-tech equipment as a way of getting a broader sense of who's crossing the border so we can deploy assets more efficiently.

I think we are on the way to having several air wings stood up along the northern border, which will give us better coverage in terms of airframes. I do envision some number of the new Border Patrol agents who are

being added will be going to the northern border. Although I will tell you that the lion's share of those will be going to the southern border. What's particularly promising is as we work on our -- what we call our SBI net, which is a combination of ground-based radar and cameras, we are currently operationally testing down at the southern border. That will eventually be a tool that we use at the northern border as well.

SEN. TESTER: And I appreciate those efforts. I can just tell you that -- and I know the focus is on the southern border and for good reason. But I live 100 miles south of Medicine Hat, which is about 70 miles south of the Canadian Border, 60 miles south. And I can tell you that it's fairly common knowledge. I mean, there's work that needs to be done there, so I really appreciate your efforts in that.

You talked a little bit about general aviation. You talked a little bit about containers. There's been some conversation about that. Can you give me any sort of idea on the containers that are coming in, commercial containers? What percentage of those are being tested? And do we need to put more emphasis on that?

SEC. CHERTOFF: By the end of this year, we will be scanning virtually every container that comes into the United States by sea, at least at the port at which it enters the United States. We're also, pursuant to the Safe Port Act -- we have agreements with seven overseas ports to do the radiation scanning over there. We're operational in three of them, including one in Pakistan.

And pursuant to the new legislation, we're going to try to put as much of this offshore as possible. But first things first: We're at a minimum going to get it done, as I say, virtually 100 percent, by the end of this year.

I should say by the end of the next year we'll be scanning virtually a hundred percent of all the containers coming into the land ports of entry, including from Canada as well.

SEN. TESTER: That's good. I appreciate those efforts.

My time has expired. Hopefully I'll -- I won't get waylaid and I'll be able to get back here.

SEN. LIEBERMAN: Well, I hope so. Thanks, Senator Tester.

We're going to go to Senator Warner and then to Senator Coleman.

SEN. JOHN WARNER (R-VA): Thank you very much, Mr. Chairman.

First I'd like to say that all of us remember 9/11, but I remember it particularly because I remained on Capitol Hill with a small group of senators. And this fine gentleman, Robert Mueller, came up with the attorney general to brief us. My recollection was it was early afternoon. And you shared with us everything you knew at that time. And I look back on what few facts you were able to convey, and I see before us today a team of four of the finest public servants, most of whom come in from other positions to serve once again in public office. And I have a great deal of confidence in this team and their ability to protect America. I for one think we're -- gone a long way towards protecting this country, certainly much beyond what

you were able to convey on the morning of 9/11. Am I not correct that -- Bob Mueller?

MR. MUELLER: Yes, and thank you for your comments, sir.

SEN. WARNER: Thank you.

Gentlemen, I hold up here two cards. One is my Virginia's driver's permit and the other is my Senate ID. Now, this permit is not unlike those in all the other states, and it was skillfully fabricated by several of the 9/11 perpetrators.

This one involved high tech and, as far as I know, cannot be fabricated.

Now, the question comes about the national ID program. I consider it one of the highest priorities. I joined with my colleagues Senator Collins, Senator Voinovich and others to try to get the funding necessary to help the states begin this program. We lost by only six votes. A swing of four votes could have made that difference. I hope that we repeat that effort in the near future.

But I'd like to ask each of you, given your dramatic statements here this morning, particularly about al Qaeda and the threat to this country, where you rank the national ID as a priority program. And do you fully or equivocally endorse it?

Secretary Chertoff.

SEC. CHERTOFF: Well, Senator, as you know, under the Real ID Act, we are bound and we are pushing very hard to get a nationally secure identification. We also have a similar complementary program for travel within the Western Hemisphere, called the Western Hemisphere Travel Initiative.

I think this is one of the three or four really big items I want to get well launched before the end of this president's term. I think it is at the highest rank of priority. And --

SEN. WARNER: That will help me. I want to try and get each one's opinion.

Admiral McConnell.

MR. McCONNELL: Sir, fully endorse. It's absolutely needed.

SEN. WARNER: High priority?

MR. McCONNELL: Yes, sir.

SEN. WARNER: Admiral Redd?

MR. REDD: Same thing. Fully endorse. We need to get to the point where we can tell, yes or no, this is the individual that's -- or not.

SEN. WARNER: Director Mueller?

MR. MUELLER: Anyone who has read the 9/11 commission report and understands the utility that the hijackers put to use these IDs would understand the necessity of the importance -- and the importance of this program. I absolutely support it.

SEN. WARNER: Highest priority?

MR. MUELLER: High priority.

SEN. WARNER: We've discussed al Qaeda here this morning, and several of us served on the military intelligence committees here. We have a lot of discussion about that organization. And you've mentioned it, certainly, each of you today. Can each of you tell us what you can so that the American public has a little better understanding to what extent they are making efforts to take actions here in this country, and to what extent, if any, they have, should we say, chapters or splinter groups or self-appointed al Qaeda in the United States? We'll start with you, Secretary Chertoff.

SEC. CHERTOFF: To be brief, Senator, they are still intent on carrying out acts against the United States, preferably in the homeland; if not, against American interests elsewhere. I think they are looking both to develop operatives who they can launch from overseas; they're also, I think, hoping to radicalize those within this country. They've been less successful in the latter respect here than they have in Europe, but it is a growing issue.

SEN. WARNER: Fine.

Admiral?

MR. McCONNELL: Sir, they have committed leadership that can adapt. They have safe haven for training. They have middle management for organization and training and preparation. The thing they need the most are operations personnel. We watch them recruit. We watch them bring them to Pakistan, that border area between Pakistan and Afghanistan, to train, to train them in things like liquid explosives and so on. So the intent is clear.

They have not yet been successful infiltrating back in the United States.

SEN. WARNER: As an organization, do you think they're as strong as they were on 9/11 or much stronger?

MR. McCONNELL: They have regained a significant level of their capability. I don't think they are as strong, because they commanded so much and were so much larger before the invasion of Afghanistan, and they had a country to operate freely in. So they are in an area that makes them difficult to get to, so I would say significant capability but not as strong as 2001.

SEN. WARNER: And due to the successful efforts of our military and many others --

MR. McCONNELL: Yes, sir. Our military, in collaboration also with the Pakistani military.

SEN. WARNER: Admiral Redd?

MR. REDD: I'd just agree that this is a -- the strategic intent is unchanged. And in terms of the homeland, there are groups here inside the homeland -- obviously, that is what we spend every day looking at. And if we know they were here, obviously they wouldn't be here; they wouldn't be effective. But we work extremely close with the FBI and across the intelligence community to make sure that any piece of information -- and it may come from somewhere well outside our borders, which could indicate that -- and so --

SEN. WARNER: Yeah. In the domestic arena, Director Mueller, what can you share with us?

MR. MUELLER: I look at it in three tiers -- core al Qaeda in Waziristan, the border area; Afghanistan; and between Afghanistan and Pakistan, where individuals were being trained; and the desire of al Qaeda to insert such individuals in the United States as being a tremendous concern.

Secondly, you have loosely affiliated groups who may get some training but don't have the planning, necessarily, orchestration from core al Qaeda. What -- the takedown in Germany, Denmark most recently -- London, Madrid are examples, to a certain extent, of loosely affiliated groups, of which we've got concern. With those two groups, the biggest concern we have is those coming in from Europe who may have been trained and be inserted either by core al Qaeda or undertake attacks in the United States without the planning or financial backing of core al Qaeda.

And the last tier is those who were self-radicalized, those in the United States who do not have ties overseas with al Qaeda, but adherence to that ideology. Miami, the Fort Dix plot are just a couple of examples of that. We do have individuals in the United States who adhere to that ideology, I should say, that extremist ideology. And we work with our counterparts to make certain that we identify. We after identification determine to what extent there are others, participants either here or overseas, and then work to disrupt those plots. And we mentioned some examples of that.

SEN. WARNER: I thank the panel, thank the chair.

SEN. LIEBERMAN: Thank you very much, Senator Warner.

Senator Coleman.

SEN. NORM COLEMAN (R-MN): Thank you, Mr. Chairman. I want to associate myself with the comments of my colleague from Virginia.

And thank you, gentlemen, for your service. The -- we've clearly gotten past the silo mentality. And I think it should raise the level of confidence, understanding that this is a race without a finish line. I remember, Secretary Chertoff, in your confirmation, where we go, you've got to be right 100 percent of the time, and a single failure is something we can't afford.

Let me follow up on the question that my colleague from Virginia, talking about the level of the threat. And Director Mueller, you kind of broke it into three parts. When we look at homegrown, which is, I think,

what we were seeing in Germany, first, let me step back. Do we have the tools? Do we have -- do we have -- do you have the tools that you need to identify the threats early on? Is there anything that you need, in terms of the ability to surveil, the ability to respond, that you don't have today that this Congress should offer you?

Secretary Chertoff.

SEC. CHERTOFF: I think at this point from simply -- (inaudible) -- I think Director Mueller can maybe talk a little bit more specifically about the bureau -- we do have the tools we need, including information and our ability to screen. I worry however that those tools not get taken away from us. I worry that people not start to degrade what we've spent time building up. SEN. COLEMAN: Is that, in particular, the Patriot Act?

SEC. CHERTOFF: Well, I'm thinking particularly about some of our capabilities with respect to screening people as they're coming through the border, our ability to move to more biometric, fingerprint-based screening, and what Senator Warner said about identification cards. I mean, we're moving to get more secure identification. If we move backwards, that's going to make it harder rather than easier to detect problems.

SEN. COLEMAN: Admiral McConnell, we just dealt with FISA, which is a temporary piece. That's not a final fix. Do you have the tools? And if not, what else do you need?

MR. McCONNELL: Sir, that is what I was going to mention, is FISA, and it was a temporary fix. Some are of the belief that this community is spying on Americans, doing data-mining and so on -- simply not true. And so the debate with FISA gave us partially what we needed so that debate's going to continue over the next few months. And if we lose FISA, we will lose, in my estimate, 50 percent of our ability to track, understand and know about these terrorists, what they're doing to train, what they're doing to recruit and what they're doing to try to get into this country.

SEN. COLEMAN: Admiral Redd.

MR. REDD: I would agree obviously with all these comments. I'd just mention there's another way that we can lose tools, and that's through leaks, sources, methods which are extremely sensitive. And we have to be very, very careful that particularly when we've had a success somewhere, that people don't start thinking that it's okay to talk about how we did it, because those are very sensitive and very fragile in some cases.

SEN. COLEMAN: Director Mueller.

MR. MUELLER: I wouldn't mention -- talk so much in the way of tools of such, but in terms of understanding the importance of state and local law enforcement to our success, it's often overlooked because it's perceived in some way of being quintessentially a federal problem. But every one of the cases we have been made have been by joint terrorism task forces in which state and local law enforcement are absolutely essential participants.

To the extent that we develop sources in communities, it's state and local law enforcement that assists us developing those resources.

SEN. COLEMAN: I was going to follow up with that question, by the way.

But let me ask you, are those efforts adequately funded?

MR. MUELLER: I would say that we have to keep an eye that they continue to be adequately funded, particularly with the up-tick around the country for violent crime. If you talk to a police chief or a sheriff, their concern is responsiveness to their community and violent crime, but it's absolutely essential to our success to harness the 700,000-plus state and local law enforcement around the country through the joint terrorism task forces, other mechanisms. And so I do believe, as there is momentum to provide funding to address violent crime, we should not forget the necessity of utilizing and funding efforts by state and local law enforcement to continue to address the terrorism threat.

SEN. COLEMAN: In addition to the state and local law enforcement and focusing on the homegrown or even loosely affiliated, background as a former prosecutor, prisons are breeding grounds for gang violence. Are we looking at prison grounds as a breeding for terrorist activity, and do we have the tools to deal with that?

Secretary Chertoff?

SEC. CHERTOFF: Actually, that's one of the first areas that we did look at because we had exactly the same insight that you did, that that has traditionally been an area where you bring together people who are predisposed to break the law and many of whom are violent. They have time on their hands, and this could be a dangerous mixture. But we've done a lot of work with the bureau jointly in places like California, New York, which are also doing a lot of work themselves, and we're working also with correctional systems not only at the federal level, but in other states to talk about, first of all, identifying the problem, figuring out ways to reduce the problem, making sure there's adequate screening of people who are coming into prisons claiming to be religious leaders, to make sure they're not there actually promoting a brand of indoctrination that would create a danger.

And I think this is an area of continued concern for all of us.

SEN. COLEMAN: Anybody else want to respond to that? Director Mueller, is that an area you're looking at?

MR. MUELLER: Yes. We for several years have had an initiative that looks not just at the federal system, which is fairly easy to take care of, since they're also in the Department of Justice, but in the various prison systems at the state and local level. And in several of our joint terrorism task forces, we will have representatives of the state and prison systems that participate on a daily basis to address that ongoing concern.

SEN. COLEMAN: Mr. Chairman, my time is up. I have a whole 'nother area of inquiry on smuggling nuclear material into the -- we're going to have at least a second round here.

SEN. LIEBERMAN: I hope so, yes, indeed.

SEN. COLEMAN: Thank you.

SEN. LIEBERMAN: Please come back. Thanks, Senator Coleman.

And Admiral McConnell, at the risk of editorializing, which is a risk I will assume, I just want to come back and say, by way of punctuating what you've said this morning, you said in response to my question earlier that the authority that the FISA reform law gave you helped you, us assist the Germans in breaking up that terrorist group in Germany.

Second, you just testified, in response to Senator Coleman's question, that if you lost the FISA authority, you would lose 50 percent of the information capacity you have to gather about what terrorists are doing and planning to do to us. That's very compelling testimony.

I want to yield to Senator Voinovich, because we're on the clock. But I want to thank you for it.

Senator Voinovich.

SEN. GEORGE VOINOVICH (R-OH): Thank you. Thank you, Mr. Chairman. One of the things that I've always remembered -- we had a great coach at Ohio State named Woody Hayes, and he said, "You win with people." And the real issue always is having the right people with the right knowledge and skills at the right place and at the right time.

And I think anybody listening to the four of you this morning has to be impressed with what we've heard today.

One of the things that when we had the legislation was whether or not the individuals involved had the authority to get the job done. I underscored that I thought the interpersonal skills and the relationship between the people was just as important as the organizational structure. I haven't heard any complaints about the organizational structure. Mr. McConnell, you might have some in the future, but we'd be interested in that.

But I want to commend all of you for working together. There hasn't been anything in the paper about, you know, turf battles or anything like that. I will say this, that I am concerned that Mr. McConnell, you have a term, and Mr. -- Admiral, you, both admirals don't have terms, Mr. Chertoff, you don't have a term. This a neophyte effort and I'm real concerned about the continuity of it in the next several years. And I think that's something that all of us should be given -- should give a great deal of consideration to, is how do we deal with that situation?

Several years ago we had testimony from state and local enforcement representatives who observed poor information sharing between federal, state, and local government. I want to tell you there's been a sea change in that. The joint terrorism task forces in Cincinnati and Cleveland and the work that's going on is just, it's just fabulous, and you all ought to feel very good about that, Mr. Mueller.

Even with the increased resources and better information, I think that we need to always emphasize that in 1998, Osama bin Laden made a fatwa, or a religious decree, effectively declaring war on the United States. I think the American people really haven't had that sunk in yet. He declared war on us in 1998, and he said -- I'm going to quote him -- "The ruling to kill Americans and their allies, both civilian and military, is an individual

duty for every Muslim who is able in any country where this is possible." And I think according to the National Intelligence Estimate we know that he was dead serious and continues. And I sometimes look back and wonder, if we had taken the resources that we put into Iraq and had sent them into Afghanistan, how far ahead we would be today from where we were then, although we have made, according to what you've said to us, made some real progress.

My concern is what effort -- we're talking about defense -- what effort -- and you've talked about trying to bring down the radicalization here in the United States, which is a real -- Mr. Mueller, I've, we've had a great -- we've spent a lot of time talking to Muslims in Ohio. One of their big complaints is that they stay on the list, they stay on the list, they stay on the list; they feel that they're being profiled. So I think that that's something that from a dignity and respect thing that we've got to work on to kind of lighten up that if we can. But what other things are we doing to try and eliminate this receptivity to Muslims in various parts of the world to Osama bin Laden's extremism and his -- he's a religious fanatic, is basically what he is. I mean, are we working on that, that soft power, that public diplomacy, or what is it that seems like they keep growing in numbers? And is there any effort being made through the State Department or anywhere else or through intelligence to try and start selling people that this is not the way to go?

For example, today we've learned in Iraq -- we're all bragging about how -- the fact things would turn around in Iraq has basically turned around because the Sunnis realize that Osama bin Laden's religious fanaticism is not what they want in their country. So now they're working with us to turn around and go on after him.

Is there anything like that going on today that you can share with us?

MR. REDD: Senator, I could give you sort of a top-down view, if that would help.

I mentioned, too, in my remarks the NIIS implementation plan, which is for all intents and purposes is the nation's war plan, if you will, for the war on terror. As you expect, it has stuff like protect and defend the homeland and go after the terrorists, but one of the key pillars in there is countering violent Islamic extremism. And so, A, that's recognized as one of the strategic musts or imparities, if you will, for us as a government. And you mentioned -- obviously, there's a lot of soft power in that. If you go through that plan and you look at all the tasks that are assigned to the various cabinet officers, almost 30 percent of them, a third of them, are assigned to the State Department for exactly that reason.

So the short answer is yes, it's recognized; it's, as you understand, a very difficult problem. We have an analytic group at NCTC which works with the rest of the community in terms of what the messaging is. And as you indicated, there's no surprise in al Qaeda's ideology. They've been very clear about it and very public about it the very beginning. But in terms of how you message that and how that's broken down, I would say the State Department in fairly recent times has stood up a group called the Counterterrorism Communications Center. The job is to take on a more tactical basis, take a look at what's going on around the world, and to start to get our side of the message out.

But as you well understand, this is not just a U.S. effort. You and I cannot do very well in terms of countering a fatwa by Osama bin Laden. It has to come from obviously clerics and Muslim clerics who have that capability in other parts of the world. I think that we're starting to see in many cases a resurgence, if you will -- not a resurgence, but the emergence of understanding of that and effects beginning. But this is going to be a -- this is going to be the generational part of the war, in my view. This is why this is going to be like the Cold War in really only two respects: one, it's going to last a long time; and secondly, it has a strong ideological component.

So I would say we recognize it, working to go that direction, but this is a fairly new beast for us.

SEN. VOINOVICH: Thank you. I'm going to -- Senator Collins is here.

Thank you.

SEN. COLLINS: First, let me say it's wonderful to be chairman again -- (laughter) -- however briefly.

Senator Sununu.

SEN. JOHN SUNUNU (D-NH): Thank you, Madame Chairman.

Director Mueller, there was an earlier question about the terrorist watch list, and I wanted to follow up on that a little bit to get a little bit more specific information about the recommendations of the IG and objectives for implementing their recommendations.

They made 18 suggestions. You indicated that you're already under way in implementing some of those suggestions. Could you speak to the two or three that you think are the most significant and describe the way that you think they will improve the integrity and usefulness of the watch lists?

MR. MUELLER: Well, the two that I mentioned before, the -- that are, I think, areas where we need to spend more effort, and that is in the area of quality assurance of the information. We have information coming through -- from a number of agencies that results in the information being and individuals then being put on the watch list.

What we have accomplished over the last several years, I would guess, is put into place a quality assurance program that scrubs that information. I mean, it was pointed out by the attorney general, and that was working as well as it should. What we're looking at is adding personnel, improving training and assuring that that scrub is more effective and efficient than it has been in the past.

The second area is in the redress, giving those who have are stopped and believed that as a result of their name being improperly placed on this watch list is to give those individuals an Office of Redress, where you can go and determine and ask the questions about whether or not your name is on it and get some redress. We established that office --

SEN. SUNUNU: How often does that happen? How often does that happen?

MR. MUELLER: Several hundreds of times, if I -- I'd have to get back to you, but I believe it's several hundred in the last figures I saw.

SEN. SUNUNU: Over a one-year period? Several hundred times?

MR. MUELLER: I believe it was over -- I think it may have been a one-year period. And what the IG focused on is it's good to set up -- that you set up an Office of Redress. What's happening is it takes too long to get that accomplished, and that's an area that again, with resources and personnel and training, we hope to do better at.

SEN. SUNUNU: Is there any particular area of law enforcement or a particular source of information where names are being provided for the watch list that really shouldn't be? In other words, any specific areas where the quality of the information provided has been especially poor?

MR. MUELLER: No. I can't pick out -- I can't pick any particular entity that contributes to the watch list and say this is more problematic. The problem comes in identifiers, and the problem comes is a name could be a(n) identifier, dates of birth can be identifiers or -- and you can have, with one individual, a number of names; you can have a number of dates of birth associated with that particular name; and sorting out the information that may come in from overseas or may come in domestically and identifying it with a particular person with particular identifiers is a substantial challenge.

I will tell you, I believe, the latest figure I saw: Approximately 90 percent of the names on the watch list are individuals outside the United States.

SEN. SUNUNU: Yeah, you mentioned increased staffing a couple of times. How many more people do you expect to add to this task? And what's your timeline for implementation of the majority of the 18 recommendations?

MR. MUELLER: I'd have to get back to you on that, sir.

SEN. SUNUNU: Both?

MR. MUELLER: Both.

SEN. SUNUNU: Okay, please do.

Secretary Chertoff, Senator Collins and others on this committee have been very concerned about the process of implementing the Real ID program. As you well know, my personal preference would be to have pursued aggressively the negotiated rulemaking, the collaborative rulemaking that was underway back in 2004, in 2005, prior to the passage of the Real ID mandate. At the moment, however, the proposal is to publish final rule in October, and October is also the deadline for states to file for an extension for implementation. That wouldn't seem to give the states a fair amount of time to really assess the scope, the costs and the changes that are necessary for complying to implementation. How are you going to address that administrative trainwreck?

SEC. CHERTOFF: Well, first of all, we did put a preliminary rule out and we did indicate that we'd be pretty -- well, I've said -- quite reasonable in terms of granting extensions. I mean, the current plan would be in theory to have next spring be the point at which the process of people signing up for Real ID licenses would begin. But we've indicated that we anticipate extending that to the end of 2009 upon a request and indication that states want to move forward and do that.

And I think frankly a lot of states have now begun the process of and have been seriously engaged with us in talking about what their plans are, including many of the major states, like California, Arizona, I think, Virginia. So I envision that this is not going to be a problem. I do think, you know, if a state does not want to participate obviously and they give us notice about that, that's not so much an implementation issue as it is a resolve issue.

SEN. SUNUNU: As I understand, one of the requirements of the preliminary rule is that the data fields that are collected through the ID process would have to be made available in a database to all other states. That naturally raises privacy concerns. And I'd like you to describe the way in which that -- at the federal level, you intend to protect the private information which, I think everyone would understand, needs to be protected in a very aggressive way.

SEC. CHERTOFF: Well, first, let me make clear that, I mean, we have tried to design this so as to maximize privacy. We have specifically avoided creating a new federal database that would accumulate information that's otherwise not there. And we have also worked very closely with the Association of Motor Vehicle Administrators. There's a model for doing this kind of sharing with respect to commercial drivers licenses, where there's cross-checking among states.

So we envision using that model. It's basically a distributed model in which states would be able to have access to other states' databases for purposes of checking, but we wouldn't create a new database.

I might add, one of the positive privacy benefits of the new rules are the requirement of background checks in DMVs. That's going to elevate the level of privacy. I can tell you historically as a prosecutor I remember cases where people abused their access to existing systems for criminal reasons or because they wanted -- they saw an attractive woman going down the highway and they wanted to get her phone number. So we're actually curing that problem by putting these background check requirements in place.

SEN. SUNUNU: I appreciate your candor. And I would underscore that the privacy issues are issues that need to be a very high priority. I believe that they are, with the work that you're doing, but it's always worth underscoring that we need to continue to (maintain ?) that priority status.

Second is dealing with the costs. You know, this is a -- it's a federal mandate. You mentioned a new database isn't being created; but there's a requirement that the information be shared, and that costs money and carries with it risks. So we've got to recognize the costs associated with the program and do everything possible to minimize those costs. There are some people that would like to use the fact that it is a mandate as an excuse to simply increase the size or the role or the responsibility at the

federal level. I think that the focus should be on minimizing the costs, and I hope you take that to heart.

And the third is the concern of unintended consequences, and that's probably my biggest concern with a program like this, is not that it can't be implemented in a reasonable way, but that it will provide a foundation for others to use the program at a later date in ways in which it just wasn't intended. And it's very difficult to sit here today and to look two or three or four years or 10 years or 20 years down the road and try to come up with ways that the program might be misused or misapplied or expanded in an inappropriate way. But I think that's something we all need to be conscious of, most of all those who are working to structure the program today.

Thank you. Thank you, Madame Chairman. SEC. CHERTOFF: I think that's reasonable. If I may just for one moment --

SEN. COLLINS: Yes.

SEC. CHERTOFF: Just to -- I didn't answer this part of the question. The actual deadline for requesting extensions is going to be February of '08. So there will be some time to assimilate --

SEN. SUNUNU: So it will not be an October deadline to request an extension --

SEC. CHERTOFF: Correct.

SEN. SUNUNU: -- but a February deadline.

SEC. CHERTOFF: Correct.

SEN. SUNUNU: Thank you.

SEN. COLLINS: Thank you.

Thank you, Senator Sununu, for bringing up that very important issue. That is a major issue in both Maine and New Hampshire, as the secretary's well aware. I think the department went a long ways by setting up the new process, but I also hope that the department is following through on a more collaborative approach, bringing in state officials, privacy experts and technological experts to make sure this is being done in a way that will minimize privacy concerns as well as the rather extraordinary costs.

So is that process under way as well, sort of a negotiated rulemaking after the fact before you get to a final rule?

SEC. CHERTOFF: Well, we have done a lot of consultation in the run-up to the final rule that's going to be issued in the fall, and that includes with state officials, the Motor Vehicle Association, privacy people. I might add as well, this kind of complements the Western Hemisphere Travel Initiative and in particular our efforts to get states to come up with enhanced driver's licenses that would satisfy that.

I have in -- myself in the last few months dealt with governors of Arizona, California, New York, Michigan, Minnesota and Vermont on all these issues, and states are increasingly signing up for enhanced driver's

licenses, which will actually operate along a system that's very similar and scalable to a real ID.

So what I think we're now beginning to see is not only are we -- do we have increased engagement with the states, but we have increased enthusiasm on behalf of most states for biting the bullet to get involved with this process.

SEN. COLLINS: Thank you.

Director McConnell, I want to bring up the issue of information sharing further with you. I think you have made real progress. But this was a major recommendation of the 9/11 commission, and when the commission did its report card, it gave the government's efforts only a D as far as improving information sharing. Now, that obviously is before your time.

Recently, several technology companies have told my staff that there are technological solutions to the barriers that prevent intelligence agencies from more easily sharing information. And there have been recent reports that the NSA, for example, is linking databases to encourage information sharing. But unfortunately, we've also heard from the program manager for information sharing environment that the barrier is not really technological, that it's cultural, and that although a lot of progress has been made, that there still is a hesitation to share information, particularly with state and local law enforcement. Do you still believe that there are significant cultural barriers to be overcome before we have the kind of seamless system that will encourage the sharing of information that could be absolutely vital to thwarting and uncovering a terrorist attack?

MR. McCONNELL: Yes, ma'am, there are still significant cultural issues, and where we find ourselves is attempting to create a situation that would adapt to the current needs. And by that, we have a responsibility to protect sources and methods; we have a responsibility to protect those who've agreed to cooperate with us in spying on someone else, whose lives would be at risk if the information were compromised.

So -- and the way I try to describe it, when we're having this dialogue and debate in the community, is we're committed to information sharing, but we also have a responsibility to protect sources and methods.

We have a responsibility to protect those who've agreed to cooperate with us in spying on someone else, whose lives would be at risk if the information were compromised. So the way I try to describe it when we're having this dialogue and debate in the community is, we're committed to information sharing, but we also have a responsibility to protect sources and methods.

So we want to try to create a situation where there's tension in the system -- we can't be prescriptive to get the perfect answer for every situation, but if we can create a culture where the analytical community's not thinking about need-to-know -- I have information, you have to demonstrate a need to know it -- but my attitude as an analyst is, I have a responsibility to provide. That puts tension in the system to share. Now, for those who recruit spies or operate very sensitive systems or capabilities that if compromised we would lose -- a loss of life or lose a capability, they're people who want to not be as willing to share.

So it's managing that cultural dynamic that's the big challenge. We recognize it, we're addressing it, and we're being very aggressive in attempting to transform this culture to get us to the right place.

SEN. COLLINS: Thank you.

SEN. LIEBERMAN: Thanks very much, Senator Collins. Do you want to finish the time, or are you okay?

SEN. COLLINS: I thought that Senator McCaskill had a question.

SEN. LIEBERMAN: That's very -- that's good of you. Good.

The remaining senators who haven't questioned are Senators Akaka, Carper, Pryor, and McCaskill.

SEN. CLAIRE MCCASKILL (D-MO): Thank you, Mr. Chairman.

First, thank you all. I listened to all of your testimony at a different location even though I wasn't physically here. And I do want to congratulate all of you for putting in the effort and the time that you do every day to try to do the very best job we can in terms of making this country safe.

Unfortunately, the issue of whether or not we're safe or not has become colored with the brush of politics, as so often happens in our government, and that's unfortunate. And as I said the other day in a hearing, we can't really say that we haven't been attacked because of what we've done because that's not true, because if we were attacked tomorrow, the people who say that we're attacked because we were -- failed -- that wouldn't be true, either. The truth is somewhere in between.

We are safer, but there are still gaping holes. There are still major problems, whether it's communication, whether it's technology, whether it's the struggle for ideas that we seem to be failing at around the world, whether it's our image in the moderate Muslim world and how that is undermining the ultimate struggle we have, which is the radicalism that we find in some parts of the Muslim world.

I'd like to focus for a minute on transportation security, and the reason I'd like to focus there is that I used to say a long time ago when I was in the courtroom all the time that the courtroom that really mattered in terms of how we treated people was municipal court because that's where all the people came. Most people's contact with our judicial system has to do with going to court on a speeding ticket or something like that. They never have contact with the -- what I call the rarified atmosphere of those rooms with all the lawyers around a deposition table or the litigation arguments that go on in big federal courthouses around the country.

As people consider whether or not we're safer, really the face of our security many times is what they encounter when they travel. And that's whether -- they're made to feel whether they're safer or not.

And Secretary Chertoff, I have been confused, and I think the American people have been confused, about what I would consider an inconsistent and a stutter-start-stop in many different areas of airport screening and transportation security.

And this seems to be a trivial example, but it's a great example of what I'm talking about: We all were taking liquids until one day no one could take liquids anymore. Now, the question is, didn't we know liquids were dangerous before that date? And if we didn't, why didn't we? And why did it appear that it was a knee-jerk reaction instead of something that was an overarching, consistent policy that had been well-thought out?

Buried in that policy, after we decided liquids were dangerous, seems to be some kind of nonsensical things that happened. And now I was on a flight just yesterday where mothers were comparing notes: "Well, I got my apple juice through; did you get your apple juice through? I got my formula through that was already mixed; did you have to mix yours?" And then the one that bugs women across America, particularly those of us that travel a lot: the mascara. I know it seems small, but for most people in America, they don't understand why mascara is a problem. It doesn't appear to be consistent or have any kind of rhyme or reason to it. And the reason I think that's important is because it's the face. It's the face that the traveling public sees. In fact, it's the face most Americans see. So I would appreciate a little bit of input on that, and then I'd like to ask some specific questions about advanced baggage screening and airlines' ability to prescreen manifests.

SEC. CHERTOFF: Let me -- I think basically you've asked two questions: Why did we suddenly put in place a ban on liquids which we then modified slightly, and then since -- particular elements of the ban?

We knew that liquids were a vulnerability prior to the attack in London or the attempted attack in London. We also were working hard to come up with a technology that would separate out dangerous liquids from not -- non-dangerous liquids, and we have -- had not found and have not yet found a technology that will do that in real time -- meaning, we have the -- we can do it if you take a bottle and put it in a device, but if you multiply that by the millions of people who travel every day, it would be impossible.

What we -- what I think the London plot brought home to us was that the enemy had not only focused on liquids but had come further along in coming up with ways to defeat the measures we were using of a non-technological basis to detect potential problems. And that was in particular a focus on detonators as opposed to liquids themselves. And some of the measures we were taking to inspect liquids, without getting into too much detail here -- were clearly -- the enemy had figured out a way to potentially defeat it.

So having recognized where the enemy was, that -- we determined that at that point the risk balance had changed. Our initial response was, of course, to make this happen very quickly. It had to be done in about six hours in a very -- an overnight session which I participated in. And then ultimately after some careful study, again balancing the risk, we determined that a three-ounce rule where you put three-ounce containers in a one-quart, clear plastic bag was the right mix. It made it impractical to smuggle in explosives but would allow people to bring in things that they like to have on airplanes.

We did coordinate this, by the way, with the Europeans. And I think this will remain in place until such time as we're confident enough operationally that we have detection equipment that we can loosen up.

Now, I can tell you, for example -- let me say two things: The general rule is if it pours or smears, it's a liquid and it has to go in that plastic bag. And that's the simplest way I can put it. Sure, you can always come up with an example of something that's at the margin or -- but we had to come up with a rule that can be applied consistently across the board. Do people sometimes succeed in smuggling things past the screeners? Sure they do. People sometimes smuggle drugs into the country. No system works a hundred percent. But even if we're working 90 percent, that is a huge barrier to the enemy which is planning to try to smuggle something on an airplane. So I think we've got the balance struck right there. We obviously would love to get the technology in place, but I'm not going to do it until I'm confident it meets operational requirements.

SEN. MCCASKILL: Can you briefly -- since I'm just about out of time -- can you briefly talk about why we're now estimating it's going to be 2024 before we get advanced baggage screening in place across this country? And what about the airlines being able to effectively screen their manifests with the sharing of information?

SEC. CHERTOFF: Well, the first thing is, we obviously do screen all the baggage currently now that goes in the hold of the airplane. We do it in a variety of different ways -- some of it's inline, some of it's not inline. One of the challenges we have -- and it's probably a little bit beyond the scope of the hearing -- is recognizing that the technology is changing and we need to find a method of financing and acquiring the technology that does not require billions of dollars in investments in equipment that becomes obsolete in three or four years. It's a little bit like having to keep buying your PC over and over again -- it gets irritating after a while.

On the issue of screening the manifests, under secure flight, assuming Congress funds the request that we've made in the current budget, by the end of next year we should be doing all the manifest screening ourselves. We should take it in, which will eliminate one of the real irritants, which is that when we take people off the watch list, the airline doesn't necessarily do it. And so as soon as we get the money from Congress, we should get that done by the end of next year.

SEN. MCCASKILL: Thank you very much.

Thank you, Mr. Chairman.

SEN. LIEBERMAN: Thanks, Senator McCaskill.

I've been impressed, as others have this morning, by the reports that the four of you have given us about the progress we've made in closing some of the operational gaps on our side and in adjusting to meet an ever-changing enemy. And part of that is obviously prevention.

There's another side to this prevention of acts of terrorism carried out by Islamist extremists and that is what has come to be called the battle of ideas -- the battle for the hearts and minds of the Muslim world.

I know there are some programs in the State Department that are directed toward entering that battle globally, but what about here at home? I don't know that any one of you is expected to play that role. I must say I've been impressed, Director Mueller, in our own series of hearings on the

threat of Islamist radicalization here in the U.S., that the FBI has done some very significant outreach to the American- Muslim community.

Let me start at this end of the table and work back to Secretary Chertoff. Are we effectively fighting the battle -- maybe I should start -- go back one-step further. You alluded to this in your opening statement. Do we have a problem of Islamist radicalization here at home? And assuming that -- well, if we do, what are we doing as the government or working with the Muslim community to try to engage on the level of ideas and ideology? Because this is a war, but it is ultimately a war against and with an ideology that is inimical to our own values of freedom and tolerance and diversity.

MR. MUELLER: To the question of whether we do have a problem I would say we do. It would be irresponsible to say that we do not. And if you look at some of the groups that we have investigated over the last couple of years, and ultimately disrupted and prosecuted, you have to say yes, we do have a problem -- particularly with the ubiquity of the Internet now and the ability for one to access anyone around the world who spews this radical ideology.

In terms of programs -- as I've alluded to and I think you've held a hearing on -- we've had a number of -- since September 11th we have had any number of ways that we undertake outreach to the Muslim- American community, Iranian-American community, Sikh-American community. And that has been effective in the sense of working with these communities to understand the FBI, but also working with the communities to develop ways, generally in local jurisdictions, to address the radicalization issue.

And when I meet with Muslim leaders, the one point that we try to make is that the worse thing that could happen to the Muslim community here in the United States is another attack such as September 11th. And so a great deal of activity that has to be undertaken to address this has to be done by the Muslim community itself, and a recognition by the Muslim community -- 99.9 percent is as patriotic and American as anybody else in this room and elsewhere -- but to identify those individuals who may be subjected to that type of tutoring and the like and to address it themselves or alert us that this may cause a problem. And that is within our particular bailiwick.

SEN. LIEBERMAN: Let me ask you this -- and then I'll move onto anyone else in the panel who wants to answer -- do you take it to be in any sense the responsibility of the FBI to engage in this battle of ideas here at home within the Muslim-American community?

MR. MUELLER: You put that where I would say no -- that it would not be our responsibility for any religion to engage in the war of ideas. I do think it's our responsibility to explain that once one goes over the line and it becomes not a war of ideas but a criminal offense, this is what you can expect, and to elicit the support of those in whatever religious community to assist us in assuring that those who cross that line are appropriately investigated and convicted.

SEN. LIEBERMAN: Thanks.

Admiral Redd, Admiral McConnell -- do you want to add anything on this subject, which is the battle of ideas?

MR. REDD: I would just make the point, which I think we had another discussion, that if you take -- if you understand that this is obviously a long-term issue which is going to be with us for some time, and the fact that strategic planning or strategic operational planning isn't very glamorous, nonetheless, what we have done as a government is something which is, I think, very foundational and gone through and laid out the war on terror. And one of the four pillars in that war, actually, is countering violent Islamic extremism -- the war on ideas. It goes through, lists a number of tasks, assigns those tasks to different Cabinet officers --

SEN. LIEBERMAN: Who's doing them domestically?

MR. REDD: Well, the domestic part is probably the hardest part. And as you've just -- if you've noticed, we don't have a home office, you know, per se as a bridge --

SEN. LIEBERMAN: Yeah.

MR. REDD: Primarily it is -- it's DHS and the FBI in their various roles. But overseas -- and obviously the other problem of how do you split this apart, because something that's on the Internet doesn't stop at the water line, obviously. So as you know, State Department -- in the Department of State in recent days or recent months has stood up a group to get our counter-messaging out. But again, the key to this thing is number one, it's going to be a very long battle. Number two, obviously it's not just an American issue. It has to have the support of governments and of Muslim clerics around the world.

SEN. LIEBERMAN: Admiral McConnell, Secretary Chertoff, my time is running out, but I want to give you each a chance to briefly respond.

MR. McCONNELL: Senator, I think in my view it's an excellent question and a very critical question and the community I represent is primarily limited to foreign.

SEN. LIEBERMAN: Got it.

MR. McCONNELL: If it doesn't have a foreign nexus or a foreign focus -- even if there's a domestic situation, the intelligence community would only be engaged if the domestic situation was in contact with, influenced by someone in a foreign dimension. So our community is focused on foreign.

We contribute analytically to understanding. We would make that information available to policymakers who may be able to use it, but we're, for the most part, limited to foreign.

SEN. LIEBERMAN: Secretary Chertoff.

SEC. CHERTOFF: I don't want to repeat what others have said. Let me be specific about what we do. We have what we call an incident management team, which is chaired by the head of our Civil Rights, Civil Liberties office. When there is an event in the world at large or domestically that we think will have an impact on the Islamic community because there's a terrorist element to it, we in advance of -- to the extent we can -- of it becoming public, convene a group of community leaders, give them a heads up,

work with them to try to make sure that the community's reassured that this is not going to become a general problem for the community at large.

In addition, we do quite a bit of aggressive outreach. I do it personally. I meet with community leaders. We had a group of, I guess, people in their early twenties that we convened for a conference that had an opportunity to deal with this, as well as going around and traveling around the country.

I will say I have a kind of bottom line thing I say to the community. It is a battle of ideas. And in the end, when you're trying to counteract radicalization that is directed at people within the Muslim community, the people who are best situated to counteract that is the community itself. They don't want to hear the government argue theology. What they want to hear are community imams and community leaders arguing theology. And so one of our big pushes is to get the community to step up and get more involved in the process of counter radicalization.

SEN. LIEBERMAN: Yeah, I couldn't agree more. When somebody like bin Laden puts out a tape, or Zawahiri, obviously it's one thing for somebody from the U.S. government to respond, but the really credible response would come from some leadership within the Muslim community. I thank you for your answer.

Senator Stevens, I know you're in the middle of another meeting, but I'd be happy to call on you now.

SEN. TED STEVENS (R-AK): Well, thank you very much, Mr. Chairman.

I am. And I wanted to come to ask the director one specific question and that deals with the attempts to give some type of immunity to those providers of telecommunications that have responded to the government's request for information. What's the status of that, Mr. Director, now? And how important is it for us to finish that and make a decision on that?

MR. McCONNELL: Senator, thanks for the question. It's absolutely essential and the status currently is that we have a temporary (approve ?) that is proscriptive, meaning "going forward." So in the law that was passed and signed by the president on the 5th of August, there is liability protection for those in the private sector who assist us going forward. We do not, however, have liability protection for the carriers or the private sector that assisted us in the past. And that's the key element we have to address in the coming months.

SEN. STEVENS: Have you lost any of the cooperation you had in the past because of that hiatus?

MR. McCONNELL: Not at this moment, but we were on a path to lose all that cooperation. That was clear as we were negotiating over the summer.

SEN. STEVENS: What is the deadline? Will we get any information as to -- you know, we're marking up the Defense bill this week, I believe, and others. We've looked at this issue before.

MR. McCONNELL: Yes, sir. If we could get retroactive liability protection in the current time frame, it would put us in a very good position going forward. That is the key issue.

SEN. STEVENS: Thank you very much. Thank you, Mr. Chairman.

SEN. LIEBERMAN: Thank you, Senator Stevens.

Now, we're still on our first round for a couple of our colleagues. Senator Akaka, you would be next followed by Senator Carper.

SEN. DANIEL AKAKA (D-HI): Thank you very much, Mr. Chairman.

Even at this time I want to add my welcome to our witnesses here. And I would like to ask Secretary Chertoff about the DHS proposal to create a national applications office.

Let me preface my remarks by saying that I recognize the value of using imagery to improve our ability to prepare for and respond to disasters. It was at my initiative that the Office of Geospatial Affairs was created in the department. Leaving a blueprint of critical facilities is important to our first responder community. However, at this point in time I'm concerned about the privacy impact of the new proposal to expand the department's surveillance in the United States.

I'm also disturbed by the administration's failure to consult with relevant committees of Congress, including this one. After press reports revealed this program several weeks ago, my committee staff asked for a briefing on the issue that -- but to date the department has failed to respond to this request. This raises further suspicions concerning the department's intent. It is not clear what this new office will do. Do national applications mean national technical means? As you know, national technical means includes a much broader range of capabilities than just satellite imagery. Is this the case, Secretary?

SEC. CHERTOFF: I'm glad, Senator, for the opportunity to clarify something which has probably become a little bit more obscure than it needed to be. First of all, I apologize if there's been a delay in briefing you. I know well in advance of this rolling out a number of committees were briefed. We probably didn't brief all that we should have briefed but we did brief the intelligence committees, the appropriating committees, and I want to make sure we complete that process.

This is really less of a big deal than it has been made to appear. There has always been something called the Civil Applications Committee which is basically a way in which when customers in the civil domain want to use our satellites to get imagery they operated through this committee to task the satellite to do the work, and as you pointed out the vast majority of that was natural disasters, things of that sort. I think a recommendation by outside consultants with some experience with the imagery a couple of years ago was that we were not being systematic and disciplined in the way we deployed these assets. And so the determination was made to take the -- (constant ?) -- of the Civil Applications Committee and have DHS become the executive agent, basically the -- essentially executive secretariat of this -- what used to be the Civil Applications Committee but what is now going to be renamed the National Applications Office. It's chaired jointly by Director McConnell and myself and it will involve the participation of all the stakeholders. And what it's designed to do is create a disciplined way for prioritizing how these imagery assets are used when they are requested by a civil agency.

Here's a critical point from a privacy standpoint. None of this changes any of the authorities or restrictions that are applied to the use of these means one iota. There's no suggestion here that this applications office is going to make it -- is going to lift any restrictions or create any exceptions or circumvent any of the existing rules that currently govern the use of these means in various kinds of contexts. We have a -- lawyers have been involved in designing this from the very beginning. Lawyers will be involved in the process of dealing with any request to use these means, and the bottom line is the authorities and restrictions that are currently in place will remain in place in every respect moving forward.

SEN. AKAKA: Secretary Chertoff, the domestic use of national technical means raises very serious privacy and civil liberty issues. As you know, privacy and security safeguards must be built in to any program at the beginning. While I understand that DHS chief privacy officer has issued a privacy impact assessment, which is now being revised, I am curious as to whether the DHS privacy advisory committee has reviewed and commented on the program. If so, what were its views?

SEC. CHERTOFF: Well, we had the -- as I say, the privacy officer and the DNI's civil liberties and privacy officer were involved as of last fall in designing this program. Now, obviously the program is classified so the ability to share the details of it on the outside is a little bit restricted. But again, let me try to make clear that the vast majority of uses one can envision here involve uses that have been -- are of long standing. They involve, for example, imagery of things that people are doing out in the open in places that are visible to the naked eye or to an airline -- airliner flying overhead, and in fact although I think we're better than Google Earth I don't think it's terribly different than Google Earth.

So I don't think any of these raise novel privacy issues. What we have tried to do though is build a process in to make sure that if we should wind up with an unusual application we don't step over the line and that -- and the process is built in to have lawyers at -- reviewing this at every stage of the process much the same way as any other methodology or technique we might use for purposes of homeland security or law enforcement.

SEN. AKAKA: Thank you for your response. Mr. Chairman?

SEN. LIEBERMAN: Thank you, Senator Akaka. Senator Carper?

SEN. THOMAS CARPER (D-DE): Thanks very much and gentlemen, thank you for joining us today and for your stewardship -- for your service for our country, some for many, many years. Mr. Mueller, you talked a little bit about the no-fly list and think you said -- I think it's a quote almost -- that we scrubbed the no-fly list and cut it in half, and to that I can only say good for you.

We have any number of people in my state who have the misfortune of been given the wrong name by their parents, and they've ended up on no-fly lists and had gone through all kinds of trouble and turmoil, which I mentioned to at least one of you before, and every now and then I hear from them now and they send not bouquets but thank you notes, and it's a lot better than what we had before. And I realize how important it is to have no-fly lists to make sure that they're accurate but it's -- I also appreciate the fact that the work's been done to scrub it and to clean it up.

The second thing I want to say -- I think it was Admiral Redd -- I believe it was during your comments -- your testimony, not in response to a question. One of the thing you said our intelligence is better -- just almost a verbatim quote -- our intelligence is better. And I want you to go back and talk to us about how is it better as it relates to the ability to get better human intelligence. What are we doing better in that regard, both inside this country and out?

MR. REDD: Well, I think it's hard to talk about very far into that obviously for all the reasons you understand. I think if you look -- if you saw the Post yesterday I think it was had the left side of the page and you saw that there were an awful lot of folks who had been taken out of circulation, if you will, or taken off the battlefield. I think that's one of a number of instances where -- which is basically a tangible demonstration of the fact that our intelligence has gotten better. It's not only human intelligence -- also (signal ?) intelligence and other stuff. But it's very difficult to go into very many details, and as I mentioned in another comment we have to be very careful about that because some of those sources are very, very fragile.

So I guess you'd have to say look at the results. Terrorists are -- I also said they're a very difficult target. You're talking about individuals, all the things we've been talking about here. How do you stop a single individual from coming across and it's -- you do it by going after every element of the terrorist life cycle, if you will, starting with recruitment but through travel, communications, and all the things -- training -- all the things that go on. So I can't go -- in open session, it's very hard to go much deeper than that.

SEN. CARPER: I understand. As an old air intelligence officer in the Navy I can appreciate what you're saying. But let me follow it up though with a -- sort of a related question on -- I think since 9/11 we've heard on any number of occasions that a shortage of folks with key language skills has been a problem. And, you know, I just want to ask what if any progress has been made in recruiting and retraining key intelligence and other personnel with some knowledge of Arabic or other languages that are useful in counter terrorism.

MR. REDD: I want to defer that one, I think, if I could to Director McConnell since that's more along his line in terms of the training of the community. I will just say in general that not only in language but in analytic capability writ large. Obviously we have been growing a lot of folks and as you'll recall from your earlier days if you want a petty officer with ten years experience it takes ten years, and we've been trying to stuff ten years into four or five years. But in the analytic community we've had to bring an awful lot of folks on line. I'd let Mike talk about the language.

SEN. CARPER: Admiral McConnell, are you willing to answer that question?

MR. McCONNELL: Yes, sir, I am.

SEN. CARPER: Before you do, let me just ask -- maybe give you a second-and-a-half to the question. And -- do you know of anything that we're

doing to encourage more students to take up some of these languages earlier on?

MR. McCONNELL: Let me combine your question, sir.

SEN. CARPER: That'd be great.

MR. McCONNELL: Let me comment. You asked specifically about humint. We're on a path to double our humint capability. So from 9/11 till now, doubling the number of case officers and capability in the field.

The second thing I would comment is, focus.

SEN. CARPER: Over what period of time? Any idea?

MR. McCONNELL: Since 9/11, until in the current timeframe, it will -- doubled. And as Admiral Redd mentioned, just adding a body is one thing, but adding a trained body who speaks a language is another thing.

So with the language capability significantly improved, not enough yet, one of the things that we decided or we're trying -- attempting to do to recruit more first generation Americans. They've never been specifically out -- ruled out by either law or policy but by practice and custom. We're trying to change the cultural approach inside the community, so if we have a first generation American, speaks a language, understands the culture of the area of concern, that we would in fact bring them into the community and make them -- make them a part of it.

So there are a number of initiatives --

SEN. CARPER: Any luck on that?

MR. McCONNELL: Yes, we've had significant luck, and we've had a lot of focus on training in languages like Urdu and Farsi and Arabic and so on. So much better than we were. We still have some distance to go, but that's our objective, to keep us focused on this particular problem because it's the most significant threat we face.

SEN. CARPER: Good. Thanks for that report.

One -- one last question. At a hearing last week Dave Walker, General Walker I call him, General Walker of GAO, reported that maritime security is one of the areas where the Department of Homeland Security has had some of its best successes in recent years. This is probably more for you, Judge Chertoff.

Witnesses from GAO and the department both testified that some of the reasons for the success are the fact that Congress did get involved, and the department was able to work with us to devote some significant time and resources to the effort.

And I would ask, are there other effort -- other areas where we can see some similar progress or the potential for progress with that kind of attention on our part as well as yours can reap the kind of success that we've enjoyed with maritime security. Maybe chemical security for example.

SEC. CHERTOFF: Well, there is, of course as you know, Senator, one gap in the chemical security legislation that we had. Now we are currently on the verge of issuing appendix A, which is going to be very specific to people in the chemical sector about what is required for them in terms of self evaluation, what should be the high risk chemicals and the quantities at which they actually begin to submit themselves to regulation.

Waste water treatment plants and water treatment plants were exempted from this. So that's an area where we are currently internally looking at the question of what are our authorities if we need to use authority. I've certainly argued to people in that sector that they need to be mindful of the fact that chlorine is a very dangerous chemical, and can be used in a variety of nefarious ways. And therefore, securing chlorine against theft is something that they have to make their business.

I'd say another area where we are again, certainly looking at regulatory action, if not Congressional action, is, as I said earlier, general aviation, in particular private jets coming from Europe and Asia where we want to make sure we have the ability to screen for weapons of mass destruction in the way we're doing with containers.

And finally small boats is an area we are doing some work in now. Again I believe we have ample authority through the Coast Guard, but I also want to make sure Congress works with us first to make sure we're adequately funded to do what we need to do, and second, to make sure we don't have backsliding. Sometimes the industry pushes back when we try to put security measures in place. And it's important to make sure that if we do put measures in place with respect to small boats, we don't wind up getting pushed backwards.

MR. McCONNELL: Sir, could I follow on, if I may?

SEN. CARPER: Please. Yeah

MR. McCONNELL: You asked me things you could focus on. We are about to start a debate this month on a very important piece. If you think about it at a summary level, a major pieces level in the intelligence community, what do we do? We take pictures. We have human-to-human interaction, humint, you mentioned earlier. Or we listen to other people's communications. That -- other people's communications is called signals intelligence. We're going to debate that this month about whether to change or modify the law that was passed in August. It's very important that we retain that capability, because it's a significant portion of what we are able to do with regard to foreign threats to the country.

SEN. CARPER: I would just say in closing, we had a tough vote on the night of August the 3rd, and some of us voted on our side voted with the -- with the majority on the other side. And I've personally taken, I'd suggest to some of you, I've taken a fair amount of flak from folks who are concerned about civil liberties, potential abuses of civil liberties.

I'm encouraged to hear that the vote that we took was one that may have led to a better outcome in Germany than would otherwise have been the case.

I would just urge us -- I urge my leadership and I would certainly urge you in the administration -- work with us to find -- let's not wait

until January or the end of the year. Work with us now and in the weeks ahead to find the right common ground so we can go after the bad guys, do the right job there, protect civil liberties. There's a way to do both.

MR. McCONNELL: There's a way to do both.

SEN. CARPER: Thank you.

SEN. LIEBERMAN: Thanks, Senator Carper.

For me part may I say that any flak you receive on that issue is wholly undeserved. I really believe it. I mean, I think this is intercepting communications between those are not in the U.S. And if it hits an American, Admiral McConnell and his folks go to court. I just think it self evidently covers, does what we need to do to protect the American people and also protect their liberties.

You've been very encouraging this morning, the four of you. I want to give you a small piece of encouragement. We promised that we would not keep you beyond 12:30, and we will not. So there will be a few other questioners, but we want you to be able to get back to your assigned responsibilities. Senator Collins and I have already had our time on the second round. So in order of original appearance we go now to Senator Coleman and Senator Voinovich.

SEN. NORM COLEMAN (R-MN): Thank you, Mr. Chairman.

Let me talk about the capacity to bring nuclear material into this - into this country. Secretary Chertoff, you talked about the ability to screen perhaps 100 percent of the cargo that's coming into this country and the efforts you're doing on cargo before it comes into this country, which is really ultimately where we need to be. I mean God forbid a device went off in the port of Long Beach or New York, something like that.

My question though has to do with the ability to detect shielded special nuclear material in lead pipes. I asked the question before about the resources that you need to do what has to be done. There are some difficulties even with the systems we have with certain types of nuclear material.

Can you talk a little bit about where we're at in being able to truly screen that kind of material? Is there -- are there research issues? Are there financing -- I just want to know what we're doing to make sure that you have the tools that you need to prevent nuclear materials from getting into this country.

SEC. CHERTOFF: The current operational technology, you're right -- and I want to be careful how I say this -- is much more challenged when it deals with heavily shielded materials. It depends a little bit on what the nuclear material. The greater the emitter, the harder it is to shield. But with respect to certain kinds of materials that can be used for nuclear bombs, it is possible to shield it.

Currently, therefore, the way we deal with shielding is, we really want to have a combined system where we both passively test for emission but we also actively test to see if there is dense material in the container which could be suggestive of shielding.

And the constraint we faced, which we are attacking overseas by building an integrated system, is, how do you make sure you can pass containers through passive and active at the same time. At the -- while we're building out a system to use both of those techniques, which is partly an issue of money but it's also partly an issue of having foreign ports agree to do this, and having them have a geographical footprint that allows us to do this.

We are working on technology which I can't say is imminent that would allow us to detect even rather heavily shielded material. But that's a bit of a ways off.

I would say, I wouldn't underestimate the importance of intelligence in helping us focus and target on those containers where there might be a higher risk, where we might actually want to open the container, or at least pull it out and do a much more active interrogation.

SEN. COLEMAN: And I would hope, we talk about intelligence, that it's one thing to rely upon detectors which may or may not do what they need to do. It's another thing to be able to lock down nuclear material wherever it is, to make sure that it's not in the hands of the bad guys.

I mean, one of our -- if I may say, one of our challenges in Iran -- trying to figure out where they're at, it's one thing if they're depending upon their own abilities to generate material that can be used for atomic weapons, it's another thing if there is material out there on the market that they can have access to.

Admiral McConnell, in terms of that issue, of using intelligence to ensure that there's not nuclear material being bought or sold on the black market. Where are we at with that?

MR. McCONNELL: Very focused on that because it's -- we have information that al-Qaeda, as an example, has stated an intention to try to acquire nuclear material. So I think it's an area of intense focus. I wish I could be more optimistic -- to tell you that we have great confidence, that we could always detect it. There's always potential workarounds, but -- an area of focus. We have some sensors that would aid us in that capability, but it takes the entire panoply of intel resources to be able to do this. You have to penetrate targets, you have to have human agents, you have to, you know, be able to find places on a map, take the pictures and also do the signals intelligence part, so -- but it is an area of focus.

SEN. COLEMAN: Let me just shift gears. Been interesting with this panel here, the latest Osama bin Laden tape. First of all, is that his beard? I mean, it's a different looking guy, and can you give me an assessment of what that tape is all about? Is there a purpose to it? Do we expect that is it a signal? I'm not sure what we can talk about here, but I'd like to get a better understanding of what we know after reviewing that tape.

MR. McCONNELL: So far, we do not think there's been a signal. He's done this periodically, as has Zawahiri, and there has not been a correlation, necessarily, between one of these tapes or public statement and a particular event.

The big question in the community this morning, is that beard real? (Laughs.) Because, as you know, just a few years ago when -- the last time he appeared, it was very different, so we don't know if it's dyed and trimmed or real but we're -- that's one of the things we're looking at.

But no specific message. It does reflect intent. And the big change for me, as an intelligence analyst in the community -- back in the Cold War it was very easy to do capability and always difficult to determine intent. In this situation, it's very difficult to capture the capability -- a single human being in a given place, nuclear material, or whatever, so capability is the challenge but intent is clear.

SEN. COLEMAN: Again, my time is very short. Just following up on that, much of the discussion was American politics. Do we have a sense of someone -- who we assume is in a cave somewhere, do we have any sense of his ability to be tracking, you know, what happens in, you know, daily American politics?

MR. McCONNELL: Sir, the internet has revolutionized that process, so we have good evidence that the al-Qaeda leadership reads the press, particularly the editorials and --

SEN. COLEMAN: And some of the things that are said in Congress.

MR. McCONNELL: Yeah, and the Congress, no doubt. Every part of the debate -- it's all watched very closely. And remember, there's a -- there's an American in that group in Pakistan, who is an adviser, I'm sure. So -- but there's a very close focus on this nation because we are so open -- what we do, and what we say, and where it might take someone.

SEN. COLEMAN: Thank you, Mr. Chairman.

SEN. LIEBERMAN: Thanks, Senator Coleman.

Senator Voinovich.

SEN. VOINOVICH: Director McConnell, I and Senator Akaka have had hearings on the security clearance, it's part of our responsibility with the Oversight of Government Management and the Federal Workforce. And the security clearance system has been on that high risk list since 1990, and we were under the impression that the appointment of a woman from the CIA was going to straighten it out. And the last meeting we had, Clay Johnson indicated that you were going to undertake a new system that would get the job done.

Currently, I understand there's a waiting list of 203 days in terms of that clearance list. In your reform, your 100-day reform, you make mention of it. The question I have is, where are we with that new system? Have you discussed it at all with the General Accountability -- General Walker, who will be determining whether or not it should go off the high risk list? In other words, is there a strategic plan? Are there metrics that will be used to judge whether or not the new system's in place? And when are we going to get it off the list?

MR. McCONNELL: Sir, first of all it would be fair to say that there's a debate. Some would argue that we need to go faster and do better with the current system. General Jim Clapper and I -- in DOD, representing

all of the intelligence capability in the Department of Defense -- and me on the DNI side, we've agreed to run a pilot. And our fundamental premise is we want to reengineer the process.

You mentioned 203 days. General Clapper and I believe we should be able to do that process in 30 days or less. Why do we believe that? We can look at the commercial models of where they clear people very, very quickly -- people that handle billions of dollars of transactions. What's the difference? If you can automate the process and clear people quickly, and then change the way we do business -- that we monitor the lifecycle of the employee, we can get to "faster in the front" and better protection in the past -- in the back.

I would submit, of the spies we know about, all but one or two of them did it for money. And of the spies that we know about, almost every one of them did not know they were a spy when they came in on the front. So the key is lifecycle monitoring. So we're trying to run the pilot to make it go much faster, and hopefully be much more effective. We'll know more about the end of this pilot in some months.

SEN. VOINOVICH: Will we know about it before this administration leaves office?

MR. McCONNELL: Yes, sir. If we're going to have any impact at all in the system, we have to do it before this administration --

SEN. VOINOVICH: How soon?

MR. McCONNELL: It's months, sir. We've -- it took us a period of time to agree to it. This was one of the issues that, when I came back into government, was very important to me as -- having been on the outside struggling with it. So I made it a priority; we got the agreement from Defense; we worked with Clay Johnson. So we're running the pilot, and in some matter of months we'll be able to tell you if it working or not.

SEN. VOINOVICH: Well, I'd suggest also that you'd spend -- your people spend some time with the Government Accountability Office, because we had a hearing here -- was it last week, and Mr. Schaeffer from your agency was here with David Walker. And, quite frankly, part of the hearing -- about maybe 20 percent or 25 percent of it, was quibbling over the definition of what the metrics were to determine whether or not the agency had done what they were supposed to do.

The other question I have is, is there anyone that's really working on this whole issue of winning the hearts and minds of Muslims here in the United States and around the world? We have Karen Hughes -- we've had this issue raised over the last three or four years and, quite frankly, I'm not confident that anybody's really sat down to figure out a major effort in this area to win the hearts and minds of people, not only here in the United States, but around the world. Can either of you comment on that?

SEC. CHERTOFF: Well, let me venture into this. I don't think there's a single person. We do have a committee, and I think it's actually chaired by the head of our Civil Rights and Civil Liberties office, that does look at that issue in the U.S. I think the Bureau and Department of Justice is represented on it. We don't deal with the overseas element, we deal with the domestic element of it.

And a lot of it is outreach. And it's -- it's from the top level down to the regional and local offices, to get people from the government out into the community trying to recruit individuals to come into government service. I don't mean as informants, I mean to occupy positions in government service so that the community feels they are part of the process of homeland security and law enforcement. Part of it is giving notice to community members when something is happening in the world so they can reassure the community. And some of it is just a lot of outreach to get the community engaged in the process of counter-radicalization.

This is all supported by research that we do. We do a lot of research through our Intelligence and Analysis Directorate, looking at studies -- some of them are academic studies, some of them are studies we get from overseas as to what causes radicalization. I think the FBI does a lot of that as well, and they tend to be maybe a little more focused on individual cases. We tend to be maybe a little bit more general.

So we do have a very focused strategy on this issue. We are -- I should say -- we have to be a little careful here because the First Amendment does limit, us to some extent, in getting into the area of what I would call "too up-front" efforts to persuade or convince. I think we generally feel, at least in our department, we're best served by getting the community itself to get out there and get --

SEN. VOINOVICH: What would give me comfort is to know what's going on here. And I can't believe that there isn't some connectivity to what's happening overseas, with what's going on on the internet, and the communication that's going back and forth. And I don't -- you know, I have met now with Imam Abdul-Raouf. He's an iman from New York -- you may know his name, he's written several books. But he has organized a form of Muslim religious scholars to work on connecting democracy in the U.S. Constitution to the foundations of Islam, to show that they are compatible.

In other words, it's this concept here that this is consistent, that you can be a good Muslim and you can be for democracy, and you can be for what our Constitution lays out. And I think that much greater effort's got to be made in this area. We're doing it -- you know, we're on the defense and we're trying to secure the country. But I think that unless we recognize the challenge that we've got on this other side, we're going to -- this thing will go on forever. And we need to have an offense here and I'm not sure we have one.

MR. REDD: Senator, if I could comment on that -- as I mentioned earlier, we have -- we've built this thing call the National Implementation Plan, which is the overall blueprint. One of the four pillars of that is exactly that. It's countering violent Islamic extremism and it goes through and lays out a number of tasks, assign those tasks to different Cabinet officers. You've heard about the domestic part of it, and you're correct. State Department has a lead for the overseas piece of it and we're starting up -- you know, starting to use it as an operation -- as you know, the Counterterrorism Communications Center, which designed to be on a very tactical basis to respond to things that happen around the world.

But clearly this is tough. This is new for us. It's -- some people try to compare it to the public diplomacy thing we did in -- you know, during the Cold War. But even that's significantly different because it was -- we

were basically talking to Western or -- you know, similar cultures in those days. But it's not just an American issue, obviously. It, as you've mentioned, is not going to take -- it's going to take people who will have credibility in the area, whether it's here in the United States or overseas. I would say that a lot of foreign governments have obviously woken up to this and are becoming more involved. But it's going to be a long -- it's going to be a long issue --

SEN. VOINOVICH: I --

MR. REDD: And there's going to be a generation --

SEN. VOINOVICH: I've taken enough time, but all I can tell you is from my perspective, how well we do in that regard will have a major impact on how long this war against Islamic extremist religious fanatic goes on. And I really bring to all of your attention that something should be done to pull everybody together and figure out a master plan on how this thing's going to work.

MR. REDD: I couldn't agree with you more, sir.

SEN. LIEBERMAN: Thanks, Senator Voinovich.

Senator Akaka, I have a last round. And then Senator Collins didn't use all her time, so I'm going to ask her to ask one of the last questions.

SEN. AKAKA: Thank you very much, Mr. Chairman.

Admiral McConnell, more than a year a year ago we learned that the CIA had closed the Bin Laden Issue Station, a unit that had focused exclusively on finding Osama bin Laden and his top lieutenants. At that time, the CIA said that it did so partly because al Qaeda had changed form, evolving from a hierarchal organization with bin Laden at the helm to one characterized by a collection of splinter cells. However, both were -- testimony that the July 2007 NIE state that bin Laden and his deputy have been able to regenerate al Qaeda and key elements of its homeland attack capability. Given this assessment, do you believe that a unit dedicated to finding, capturing or killing Osama bin Laden and his top officials should be reestablished?

MR. McCONNELL: Sir, it is established. I would say it's probably a matter of semantics, but we have such a unit. Osama bin Laden and Zawahiri are our number one and number two priority -- a very strong and significant focus. And so we are pursuing it with significant resources.

SEN. AKAKA: Admiral, if bin Laden has reconstituted the al Qaeda organization so that it looks similar to its original pre-9/11 form, then do you believe that finding him should be the top priority?

MR. McCONNELL: Top priority -- yes, sir. And I would add another dimension. You mentioned splinter groups a moment ago. I would describe it a little differently. What al Qaeda has been successful in doing -- they are -- there are extremists in virtually any country. What al Qaeda has been successful in doing is linking them. So now if you start across northern Africa in Algeria, Tunisia, Libya, Egypt, Lebanon and all the way across, there are groups now that affiliate with -- and some even changed their names to be al Qaeda. So it almost takes on the connotation of a franchise. So I

think the reasoning maybe a year ago was splintering, but the fact that they have sanctuary in that travel area between Afghanistan and Pakistan has allowed them to adapt and morph. With sanctuary and committed leadership, they've rebuilt the middle tier. What they don't have is -- are the vast numbers of recruits to carry out the acts they would like to perpetrate. So that's where we have our focus, is to try to cut off the head of the snake.

SEN. AKAKA: Admiral Redd, in early 2004, then-CIA director George Tenet said that al Qaeda's leadership was seriously damaged and continued to lose operational safe havens. Today we have a different picture of al Qaeda, one in which the organization has become resurgent and is rebuilding. What, in your opinion, has changed and why hasn't the U.S. been more successful in heading off such a resurgence?

MR. REDD: I think if you look back, Senator, at the history from 9/11, it's been a series -- as all warfare, if you use -- if you don't mind me using the analogy -- of puts and takes, if you will or pressure and response. And I would say the single most critical factor over the last, say, the last year, year-and-a-half has been the resurgence of that safe haven in the tribal areas of Pakistan.

SEN. AKAKA: Do you believe that, as currently configured, the executive branch agencies are well placed to help reverse that tie?

MR. REDD: I think, sir, as we have -- there's -- the whole thrust of our testimony has been that the agencies are working together in ways that have -- we have never worked together before, whether it's across attacking terrorists or protecting and defending the homeland. But the short answer is you never stop that and you keep moving, you keep trying and you keep pushing. And that is clearly one of our highest priorities.

SEN. AKAKA: Admiral McConnell and Admiral Redd, the July report issued by the National Counterterrorism Center stated that the key to al Qaeda's resurgencies has been the use of ungoverned spaces in Pakistan and in particular areas of -- along the Pakistan-Afghan border. Yet I understand that Pakistan restricts the deployment of American troops in these areas in hot pursuit of those terrorist networks. As long as these safe havens exist, what is there to prevent the continued resurgence of al Qaeda?

Admiral McConnell?

MR. McCONNELL: If the safe havens continue to exist, we will continue to have this problem. About a year ago, the leadership in Pakistan made a decision -- as a way to address the problem -- is to form an alliance or a peace treaty, if you will, with the tribal leaders in this area. Remember, this area has never been conquered by anyone, not even the Pakistan -- never been controlled by Pakistan. It's a separate enclave in their constitution. So it's an independent region in that border area. So the leadership in Pakistan decided they would make an accommodation with the leadership to force the -- to be expelled the foreigners. That did not work. We counseled against it. It did not work. Now what's changed since that time? President Musharraf has moved two additional divisions into the area, is applying additional pressure. We are cooperating with the Pakistanis, providing information, intelligence -- we are working it from the Afghan side of the border, working with Special Operations Forces and so on. So intense focus, but as of this point in time we have not been able to eliminate it. But it is our number one priority.

SEN. AKAKA: Would you comment, Admiral Redd?

MR. REDD: I'd just agree with Director McConnell. I mean, we clearly understand the high priority of this. The cooperation out there is significant. I think it's fair to note, too, that the Pakistanis themselves are also victims of al Qaeda's violence. It's not just the United States. And -- but it's a long-standing issue and it's one which has a lot of policy dimensions to it that is being worked very, very hard.

SEN. AKAKA: Thank you for your responses.

Thank you, Mr. Chairman.

SEN. LIEBERMAN: Thanks, Senator Akaka.

We have reached 12:30, but Senator Collins didn't use her whole time and Senator Carper, who's a very effective advocate, has asked to ask one more question. If any of you have an urgent need to depart, we'll understand. If not, two more questions.

Senator Collins.

SEN. COLLINS: Thank you.

That is we'll understand it after our questions.

SEN. LIEBERMAN: Yeah.

SEN. COLLINS: This committee has worked diligently to try to identify shortcomings and gaps in the legal authority that you have as we try to fight this war against terrorism. Last year, for example, Secretary Chertoff, you told us that we needed authority in the area of chemical security, and we passed legislation giving you that. More recently, Admiral, you came to us on the FISA issue. I'd like to ask each of you to identify any legislative reforms or authority that you need to more effectively do your jobs as we battle terrorism.

Secretary Chertoff, we'll start with you and we'll just go down the panel.

SEC. CHERTOFF: I did mention the issue of waste water and water treatment and I think we are contemplating what we might do to address that issue and whether we ought to make a suggestion to Congress.

If I might, I'd like to request the opportunity to actually come back and think about that and come back with a little bit more of a comprehensive answer to that and give off, just off the table.

SEN. COLLINS: Thank you.

Admiral?

MR. McCONNELL: Like Secretary Chertoff, I need to give you a more deliberate answer, but I've been back only a few months as you're aware, and the title is Director of National Intelligence -- I think Director may be a little bit of a misnomer, I'm more of a coordinator. So when I want to make a

hard decision, it's a little bit like this body. As opposed to deciding, you get to engage in dialogue and debate and so on. It was made reference earlier that it's interpersonal skills. Well mine's been tested quite a bit --

SEN. COLLINS: (Laughs.)

MR. McCONNELL: -- to try to get hard decisions made. So at some point I'll formulate some recommendations about, do we need to make some adjustments to how we're organized. We did not create a Department of Intelligence; we created a Director of National Intelligence who has the responsibility of coordinating a community of 15 of 16 agencies who work for another cabinet officer. So there's a challenge or two embedded in that.

SEN. COLLINS: Admiral, thank you.

MR. REDD: As you know, I wear the two hats. On the intelligence side obviously, in fact, I'm actual part of the DNI and the DNI's actually used his authorities to help us out in some cases. And so I think I would certainly identify with everything Admiral McConnell said.

I think there's a question which is not but is probably a year or so down the road is on the other issue of strategic operational planning. As you know, when the 9/11 commission came out, they had in mind a much more, shall we say, aggressive or directive view of that. I don't think we're far enough down the road to know whether that's desirable or even doable. We're working together but I think that's something in a couple of years that, you know, the Congress may want to come back and look at.

SEN. COLLINS: Thank you.

Director?

MR. MUELLER: One of the areas that we're concerned about and have been for some time is, first of all the lone wolf actor who is not tied in with any particular group overseas, and we addressed that in legislation a year or so ago. But as you have self-radicalization growing, and regularization (sic) in the United States, where it does not have any foreign components, we are still, we operate under the Title III, on the criminal side of the House. And over a period of time as technology has improved, and the statutes focus on facilities, particularly facilities as opposed to the target. One of the things I'd like an opportunity to get back to you on is the possibility of making modifications to make it easier with appropriate safeguards to do interceptions of those individuals might be self-radicalized and intent on undertaking terrorist attacks as opposed to other criminal activities within the United States, without any foreign nexus.

SEN. COLLINS: Thank you.

And let me just conclude by thanking you all for your extraordinary service. Thank you.

SEN. LIEBERMAN: Thank you, Senator Collins. Those are important answers.

Senator Carper.

SEN. CARPER: I would second that closing comment from Senator Collins. Secretary Chertoff, I'm going to telegraph my pitch and let you think about this while I make a comment or two. It's rare that you come before a Senate and ask about rail security and transit security, and that will be my question to give you, to ask you for an update. We've talked about it here today, a little bit about maritime security, chemical security, but I want before we leave for you to give us a bit of an update on how we're doing with respect to the security for people who ride trains and people who take transit, especially rail transit.

I want to get back to Senator Akaka's question of you, Admiral McConnell, and he was focused a good deal on Osama bin Laden and I, you mentioned, I think what you said is our focus is to cut off the head of the snake. I urge you to maintain that focus.

Secretary Chertoff, there's a, your department's going through a rulemaking with respect to potentially limiting and establishing reporting requirements for those who have significant quantities of propane on their property. You probably heard a little bit about this. We have, on the Delmarva Peninsula, we have hundreds of chickens for every person who lives within -- there are 300 people for every chicken -- 300 chickens for every person who lives in Delaware. And one of our chicken farms, and they have, we have tens of thousands of them around the country, and your agency's been intent on trying to establish some kind of reporting requirement for chicken farmers who have significant quantities of propane. I think we're in the process of trying to infuse some common sense into that argument, I'd say good, we look forward to the final outcome. One of our chicken farmers in the Delmarva Peninsula said the worst thing that could happen is they blow up my propane in my chicken house, we end up with barbequed chicken. And so he didn't think it was all that bad, but I would just ask that we focus more on where the real threat lies. I don't think that's where it lies.

Your name's been in the news as a potential attorney general. I don't have any question that you'd be a very fine attorney general. I see, I heard last week that you were asked not to be considered and I think we need in your department continuity. And one of the, not worst things that could happen, but one of the not-so-positive things that would happen would just to add to that turmoil, so I applaud your decision. I hope the president was listening.

Here's my question. And here's your opportunity to respond real quick. How are we doing on transit security, rail transit security in particular?

SEC. CHERTOFF: First on the issue of propane. Let me make clear it was a preliminary memo was put out and it was put out precisely for the reason that we do want to get comments back and it's not uncommon, it's, you know, pretty easy to anticipate that we're going to take those comments into effect. You know, it's going to be a line drawing issue. There's going to be an amount of propane that is large enough and close enough to a major population area that we will have to regulate it. But we really don't want to regulate chicken farmers and we're not worried about barbequed chicken.

With respect to rail security, as you know Senator, we put out not only a round of grants earlier this year, but then a supplemental round. So we've got several hundred million dollars out there, and we've been very focused on a risk-based approach in which we look at those elements of the

rail system that are the most vulnerable. If we're talking about passenger rail, that tends to be a highly populated, mass transit, particularly where you're dealing with track that's underground or underwater, and frankly, that is where we are putting most of our money and most of our effort.

At the same time, we're doing a couple of other things. We are working to increase the number of what we call viper teams. These are combined teams of TSA personnel and now we're adding in some instances Coast Guard and CBP personnel that we surge into a train station or we get into the Seattle ferries last month, with canines, with hand-held devices. They're not meant to be steady state, but they are meant to be random surge operations, similar to what the New York Police Department does where, you know, every week or so they put a whole bunch of police cars out and they surge into an area in a counterterrorism operation. So we're proceeding with that, too.

The third thing is we are looking at different kinds of systems that would be used to potentially detect explosives without putting into place in train stations what we have at airports, which would not be -- work architecturally. That is a technological challenge. I promised Admiral McConnell I was going to use this word in the hearing and I'm now going to use it. Muon technology, which involves the subatomic particles, is apparently a promising technology, but some distance off, that if in fact it's capable of being implemented would allow us to detect in a stand-off way explosives in a confined area like a train station or something.

So we're proceeding on all of those tracks, and it's a very high priority for us.

SEN. CARPER: How do you spell Muon?

SEC. CHERTOFF: M U O N.

SEN. CARPER: Just like it sounds. Mr. Chairman, thank you for giving me that opportunity.

One last quick thing I'd say that Senator Voinovich was talking about how do we diffuse some of the hatred and animosity toward our country, and I thought mentioning in the back and forth some good ideas were discussed. I would suggest that one of the things that needs to be done is for a real serious effort to be made in support of what's going on in the dialogue between Israelis and the Palestinians on the West Bank. That by itself isn't going to solve this problem, but to the extent that the Palestinians could end up with a homeland of their own and Israelis could end up with peace and secure borders, that would sure help.

SEN. LIEBERMAN: Thank you very much, Senator Carper.

Thanks to the four of you. I must say -- Senator Collins and I just said before she had to go that while the first part of what we asked you to do today which was to assess the current threat environment, obviously your assessment is serious, it's sobering, this is an alarming and persistent threat environment, but the second part which was to give us a report on the status of institutional reform to deal with the threat has been in my opinion greatly encouraging, understanding that we all know that we've got a lot more to do. And I'd add that the four of you each bring tremendous experience and talent to this assignment. You're impressive in your individual capacities

and you give the definite impression that you are working well together as a team. And I will note with some particular appreciation in this capital city that you seem not to let your egos get in the way of carrying out your assigned responsibilities to protect our homeland.

So we thank you for all that, with the understanding that we've got a lot more to do. We look forward to doing it together to protect our country and its people.

The record of the hearing will remain open for 15 more days for additional questions and statements.

I thank you all again.

The hearing is adjourned.

END.