

## **The Morning After: How to Reform the Intelligence Reform**

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Thank you for this opportunity to testify on the reform efforts led by the Director of National Intelligence (DNI) as developed in his 100-day and 500-day plans. I will come at these issues indirectly, by looking back to the impetus behind the intelligence reforms that gave rise to these efforts, particularly those embodied in the Intelligence Reform and Terrorism Prevention Act and the 9/11 Commission recommendations.

Let me first preview my bottom line: namely, that the organizational changes that led to the creation of the office of the DNI were undertaken without addressing the other aspects of the 9/11 Commission recommendations. The result, I fear, may leave us worse off rather than better.

Instead of strengthening coordination among intelligence agencies via a single intelligence “czar” we may be further dividing responsibility among a new Director of National Intelligence with (nominal) authority but not much staff, a Director of CIA with staff but diminished authority, and a Director of the National Counterterrorist Center with a broad but unclear mandate.

Worse, we seem to be trying to centralize our efforts at the very time that the threat we are trying to meet is becoming more decentralized, dispersed, and eclectic. It is the wrong model. The DNI’s 100- and 500-day plans address some of these issues, but the changes envisioned in them fail to address, and may even exacerbate, the most urgent problems as I see them.

### A “Perfect Storm”

How did we come to this pass? It is unfortunate that intelligence reform was pursued under conditions of a “perfect storm” for intelligence-bashing.

First was the Iraq WMD estimate of October 2002. It was flawed, but the criticism of this estimate lost all sense of proportion. The impression has been left that the intelligence community produced a deeply flawed assessment of Iraq’s WMD programs, and that this assessment led our country into war. The first half of that assertion is

correct, but not the last half. The pre-war debate was never about the intelligence but about the policy. Yet the policymakers who launched the war and the members of Congress who voted for it, chose to blame it all on faulty intelligence. Neither the 9/11 Commission nor the WMD Commission addressed the failures of policy, which were vastly more serious than anything the intelligence community did or failed to do.

Second, the controversy over the WMD estimate was then conflated with the alleged “intelligence failure” of 9/11. My own view, which is actually supported by the 9/11 commission report, is that this was not a failure at all, in the sense that the attack should have been prevented and could have been prevented with good intelligence performance. There is a whole body of psychological literature on “hindsight bias,” defined as “the tendency of people to falsely believe that they would have predicted the outcome of an event once the outcome is known.” Because outcome information affects the selection of evidence, a critic falling victim to hindsight bias tends to see clear lines of causation where such clarity was in fact lacking before the fact. It is easy to say that the intelligence community should have “connected the dots,” but in reality it is only after the fact that one can know which dots, out of a vast universe of them, to connect.

Third and finally, all of this came to a head during an intensely political election season in the fall of 2004. Democrats attacked the intelligence community to get at the president; Republicans attacked it to protect him. What both sides agreed on was to stick it to the intelligence community.

#### The Intelligence Reforms of 2004-5

Let me hasten to add that the intelligence community did and does need reform. But these reforms were debated in the worst possible climate for sound judgment. This had led, in my view, to deeply flawed intelligence reform.

In particular, focusing on the dramatic, politically attractive “quick fix” of creating an intelligence “czar” has diverted attention from the more fundamental issues that need addressing. At worst, it will create another several layers of bureaucracy that will make most of these problems worse; at best, it is simply irrelevant.

This idea is also tied up with what I call the “coordination myth”: namely, that it is somehow possible to “coordinate” the work of hundreds of thousands of people across dozens of agencies operating in nearly every country of the world. Anyone who has worked in complex organizations knows, or should know, that it is possible to coordinate only a few select activities and that there are always tradeoffs, because every time you coordinate some activities you are simultaneously weakening coordination among others. To cite just one example, the creation of the National Counterterrorism Center may have enhanced interagency coordination among terrorist operators, which is a good thing, but it has surely weakened coordination between them and the country and regional experts. The net result is that the Intelligence Community is probably stronger in tactical counterterrorism coordination but is surely weaker in strategic counterterrorism. While we are looking for the next car bomb, we may be missing the next generation of terrorist threats.

## Reforming the Reforms

With those thoughts in mind, let me offer five suggestions for intelligence reform, none of which entail further organizational change. Indeed, after the organizational turmoil of the past four years, I think we should leave the organizational charts alone for a while and try to dig deeper to effect cultural change.

First, fix the “demand” side of the problem. All the reform ideas so far have focused on the “supply side” – the quality and reliability of the intelligence being provided – but until we fix the demand side, all these efforts will fail.

Politicization of intelligence is a part of this problem, and I fear that it will get worse under the new DNI setup. (This comment is no reflection on the incumbent but rather on the tendencies inherent in the organizational design.) As an example, I think it a mistake for the DNI to be taking the lead in defending Administration’s wiretapping program – for the same reason that it is a mistake for General Petraeus to be point person for defending the “surge” in Iraq. U.S. intelligence, like our uniformed military, should be at least one step removed from policy advocacy.

This is part of the larger problem of the inadequate linkage between intelligence and policy. In 2004, when I was Chairman of the National Intelligence Council, we produced a bleak assessment of the Iraqi insurgency that incurred presidential wrath when it leaked to the New York Times. But the real story was that the President hadn’t read it – not even the one-page “Presidential Summary”! When the results of such a key Intelligence Community product are wholly ignored, there is something badly broken. This is why the reference to “the customer” in the DNI’s 100- and 500-day plan is so misleading. This is not a marketplace in which intelligence products have any intrinsic value; they are freely and routinely ignored.

Second and relatedly, create an interagency strategic planning group. This would have two benefits. It would restore the primacy of strategic analysis, after a period when the overriding focus on current intelligence has robbed our government of the capacity to think broadly and strategically. And it would lend coherence, rather than have different departments undertaking their own, uncoordinated planning – as was the case in preparations for post-war Iraq. There was a brief effort to create such a planning group a few years ago – I was the intelligence community’s representative on it – but the effort died after a single meeting.

Interagency planning may seem obvious, but it does not happen because administrations do not want it. Individual departments certainly do not: they want their own pet projects held close until the last possible moment rather than having them run up against the competing ideas of other departments. So the bureaucratic resistance to such efforts is enormous. But the need is compelling: we would never have gotten into the mess in Iraq had the Pentagon’s plans been subjected to serious critical scrutiny.

Third, strengthen Congressional oversight, as the 9/11 Commission recommended. For all the criticism of the WMD estimate after the fact, it is alarming that before the war HPSCI never held hearings on it, and only six senators bothered to read it.

Let me put this in present tense. In the past year or so there have been two National Intelligence Estimates on terrorism – with quite alarming findings. But to my knowledge no Congressional hearings on those estimates have occurred. On the second of those estimates, concerning threats to the homeland, General Hayden said (at the Council on Foreign Relations) that 70% of the information came from detainee interrogations. This is worrying for two reasons: it shows how poor our penetration of terrorist networks still is, and this dependency on (often dated) detainee information can turn into a circular argument for continuing our disastrous detainee policy. Have there been Congressional hearings to look into this? A final example: one reads reports about some offices of government pushing for military strikes against Iranian nuclear targets. As a citizen, I would like to know whether the Congress is asking U.S. intelligence if we could identify Iranian targets with sufficient confidence to make such a course of action even theoretically feasible (leaving aside the wisdom of such a step). This, it seems to me, is a legitimate and essential function of effective before-the-fact Congressional oversight.

Fourth, accentuate the *strategic coordinating* role of the DNI and de-emphasize the centralization of operational functions. This means putting the “central” back into Central Intelligence Agency and accentuating its role as the lead implementing agency, lest we wind up creating another CIA on top of the first one. My old operation, the NIC, should coordinate the Intelligence Community, not become the DNI’s operational staff. This, then, would free it to play a strategic role that risks being lost.

It seems to me that the 100-day and 500-day plans are heading in the wrong direction. They are much too intrusive, bureaucratic, and formalistic. They create an agenda that will not be achieved in 500 years, much less 500 days. Let me focus on the very first of the 33 “enabling objectives” of the 500-day plan – to formalize a “National Intelligence University.” I think I know what a university is. What the IC intends is not one; it is a training center. Calling it a university is a triumph of form over substance. The DNI set-up, and the impulse to centralize and “coordinate” everything, reinforces this tendency.

This then leads to my fifth and final recommendation: begin the evolutionary process of changing the culture of intelligence. This will entail a radical re-conceptualization of what “intelligence” is and should be. We have moved from an era in which clandestinely acquired information accounted for a large chunk of what we needed to know (or thought we needed to know) into one in which our “secrets” count for relatively little for most of the issues that affect our national well-being. There are no secrets that will shed much light on China’s rise, the contradictions of globalization, or most of the other issues we care about. For those issues we need openness, access, and flexibility.

Instead of thinking of intelligence as something done by a few specialized agencies with highly secretive mandates, we need to think of it much more expansively as a global intelligence community – an eclectic virtual community with unclassified, lightly

classified, and heavily classified domains. At the unclassified level, this would mean an exponential expansion of the kinds of ties we established through the NIC's "2020" project with experts around the world, including China. At the next level, there would be a lightly classified level (confidential/secret) involving private Americans, foreign government officials, and private individuals and institutions around the world. These links would move all the way up to the most highly classified level, involving counter-terrorist and counter-proliferation cooperation.

These considerations have implications for intelligence collection, too, though this is an area I know less about. Traveling around the world as NIC chairman, I was all too conscious of the way we create "Little America" wherever we go, populated by people with insufficient language training and incapable of disappearing into the local culture. We pay a heavy and increasing price for this ignorance. Relatedly, we have done extremely poorly since 9/11 in bringing into the intelligence community qualified Arabic language speakers. There are reasons for this, some of them valid, but the bottom line is that we need to strengthen our national commitment to understanding foreign languages and cultures – and relax the requirements for bringing in those who contribute to that understanding.

The DNI's 100-day and 500-day plans focus on many of these issues, and for that they deserve credit. But the reality that I see is an Intelligence Community that is retreating into greater secrecy and old cultural habits, even in the short time since I left the NIC in early 2005. Try to get a CIA analyst to go on the record at an academic conference, or participate in an interactive website or blog with experts from outside government or other countries, and you will see how deeply ingrained are the old Cold War cultural habits and mind-sets. What this means, additionally, is that the Intelligence Community is not attracting the "best and brightest" into their ranks. They go elsewhere. The Intelligence Community, and for that matter that departments of State and Defense, need to modernize the ways they go about recruitment and recognize that they are in a competitive market for a new generation of graduates with very different expectations.

These are some of the kinds of innovations that needed to be undertaken after the end of the Cold War. They don't have much to do with the motivations that got us to the present state of intelligence reform, but if these reforms can get us headed in this direction, they will have succeeded.

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