

Statement of Matthew Bettenhausen

Director

California Office of Homeland Security

April 17, 2008

Before the Senate Homeland Security and Governmental Affairs Committee

Subcommittee on State, Local, and Private Sector Preparedness and Integration

Fusion Centers: A Progress Report

Good afternoon, Chairman Pryor, Ranking Member Sununu, and Members of the Subcommittee. I am pleased to be here today to demonstrate Governor Arnold Schwarzenegger's commitment to preventing terrorism.

As the Director of the California Office of Homeland Security, I want to share with you the invaluable role fusion centers play in California's homeland security strategy and how these centers have enhanced our information sharing capabilities. It is also important to recognize the progress being made by the Department of Homeland Security and the Department of Justice in this effort and the important resources and policy direction the Congress has provided. Homeland Security Grant programs are absolutely essential if we are to build an effective network of fusion centers capable of protecting

our communities and critical infrastructure from terrorist attacks. Finally, I want to highlight some of the areas where the Department of Homeland Security can do more to enhance the effectiveness and sustainability of fusion centers.

California's State Terrorism Threat Assessment System

To determine an accurate depiction of our adversaries, their intentions, and their capabilities, California moved quickly after 9/11 to establish a Terrorism Threat Assessment System. The State Terrorism Threat Assessment System (STTAS) is responsible for regional and statewide information collection, analysis and sharing activities. The STTAS is comprised of four Regional Terrorism Threat Assessment Centers (RTTAC) and one State Terrorism Threat Assessment Center (STTAC). The RTTACs are located in San Diego, Los Angeles, San Francisco Bay Area and Sacramento. These locations mirror the Federal Bureau of Investigation areas of responsibility within California and are comprised of a mixture of State, local, and federal public safety agencies.

The State fusion center is designed to provide California's senior leaders with: situational awareness of identified threats; visibility of and coordination with the critical infrastructure of the state; and constant access to the latest local, state and national information analysis products and assessments. The STTAC provides: statewide assessment products; information tracking and pattern analysis; geographic reporting linkages; and connection with the latest national information from the FBI, DHS and other federal agencies.

The Regional fusion centers: integrate the intake, analysis, fusion, and synthesis of intelligence information with an emphasis on terrorist threat intelligence; identify patterns and trends that may be indicative of emerging threats; and provide relevant, timely and actionable intelligence products for the region. The RTTACS establish policies to share and exchange terrorism-related information and intelligence products with public and private sector organizations having public safety and infrastructure protection responsibilities.

There are currently 15 analysts assigned the STTAC from a mix of state agencies. The regional fusion centers vary in size from 15 individuals in the Sacramento and San Diego RTTACs, 40 individuals in the Los Angeles RTTAC, and 44 individuals in the San Francisco Bay Area RTTAC.

The State and regional centers are supported by a network of Terrorism Liaison Officers (TLOs) and a secure web-based information sharing system to distribute and receive information. The TLOs serve as the local public agency and private entity point of contact for all terrorism-related issues. At the local level, law enforcement and public safety agencies are designating TLOs who are trained in the review and assessment of local reporting and in conducting outreach to other public safety agencies, critical infrastructure operators and community groups. The TLO is the local agency point-of-contact for all terrorism-related alerts and suspicious activity reports, requests for information, warnings and other notifications from regional, state or federal homeland security agencies. The TLOs review local-agency reports, manage local reporting and initiate or respond to requests for information. The TLOs have an ongoing relationship

with other local agencies, especially those with daily contact in the community, and develop relationships with critical infrastructure sites within their respective jurisdictions, establishing a personal connection with their security and management staff.

California has trained over 4,300 TLOs through a formal training program, approved and certified by both DHS and California Commission on Peace Officer Standards and Training (POST). We have also expanded the TLO program to include an initial group of over 70 individuals representing state agencies in Sacramento who will be connecting state government directly to the STTAC.

With the support of the federal homeland security grants, our future investments will include: (1) expanding the existing threat assessment analytical capabilities at the fusion centers; (2) expanding the training of Terrorism Liaison Officers; (3) expanding the existing statewide information sharing technology platform; (4) expanding law enforcement counter-terrorism case de-confliction efforts; and (5) enhancing public and private sector information sharing partnerships.

National Support Has Contributed to the Success of Fusion Centers

I first want to recognize the initiative the Department of Homeland Security has taken to embed DHS Intelligence Analysts in State and regional fusion centers. This effort is to be applauded. Similarly, I would be remiss if I did not recognize the contribution of the FBI Special Agents in Charge in California for their partnership and support of California's fusion centers. In particular, cooperation by the Los Angeles FBI office resulted in space being donated to house the Los Angeles area analysts. This

collaboration continues, as the Los Angeles RTTAC is being ably led by Ms. Leslie Gardner of the FBI. I can not underscore enough the value of these partnerships to the overall success of our fusion centers.

The National Strategy for Information Sharing (Strategy) is also praiseworthy, as it provides clear and concise direction to all levels of government. The Strategy recognizes the critical role of State and local first responders and first preventers in preventing acts of terrorism. Being enfolded by this strategy validates the unique perspectives of State and local public safety agencies and represents a much needed change away from a federal-centric approach to combating terrorism.

We are committed to quickly implementing the Strategy and I am pleased to report that one of the key elements - suspicious activity reports - is being piloted in California by the Los Angeles Police Department (LAPD). The goals of the pilot program are to standardize internal processes and institutionalize counter-terrorism throughout the LAPD. The collection of this data will enable the LAPD, and other departments, to develop a measurement tool for terrorism related behavior and activities to identify indicators of emerging threats.

The establishment of the Interagency Threat Assessment and Coordinating Group (ITACG) is another positive step being taken by DHS. The ITACG has the potential to bring a State and local perspective to products produced by the Intelligence Community. The ITACG also has the potential to enhance our ability to turn information analyzed at the national level into action at the operational level. However, more work needs to be done to better define the requirements of the Intelligence Community from State and

local public safety agencies. Locals need clearer direction on the types of information that should be shared.

At the operational level, fusion center analysts have been pleased with the Department of Homeland Security's deployment of the Homeland Security Information Network (HSIN), a system for sharing sensitive analytical products. Under Mr. Charlie Allen's leadership, the Department has improved both the timeliness and the quality of the HSIN products. Responses to requests for information from State and local agencies have also been more timely.

Another positive development has been the establishment of the Homeland Security State and Local Intelligence Community Interest (HSIN-SLIC). The HSIN-SLIC provides a secure forum for analysts from over 40 states and 6 federal agencies to directly share information with each other. The forum is also supported by weekly threat teleconferences. Early feedback has indicated that this is one of the more promising venues to share information horizontally and to identify emerging national threats.

Fusion Centers' Role in Protecting Critical Infrastructure

Fusion centers should also be leveraged to enhance critical infrastructure and prevention capabilities. DHS should act on the recommendations made by the State, Local, Tribal and Territorial Government Coordinating Council (SLTTGCC) to establish the critical infrastructure and key resource desks (CIKR Desk) at State fusion centers. As the SLTTGCC noted, the key function of the CIKR Desk in fusion centers would be the

integration of threat, vulnerability, and consequence data to develop information products for public safety and private entities with security responsibilities.

In California, fusion centers are being utilized to extend training to our private sector partners. At the Governor's direction, the requirements for licensed security professionals were modified to mandate enrollment in a four-hour terrorism-awareness training program. This common sense policy change will ultimately provide terrorism training to the approximately 400,000 licensed security professionals in California. We have also implemented a terrorism-awareness training program amongst professional and trade associations to ensure that they have current trend and pattern information, threat assessments and connectivity to their RTTAC. The State fusion center is also working closely with the agricultural industry to protect this critical resource, by formulating an initiative with the California Department of Food and Agriculture to deliver a one-day TLO course to each of the 58 county agriculture commissioners. A partnership is also being formed with the State's Rural Crime Task Force to train its members in terrorism awareness and California's information sharing protocols.

The RTTACs have been working closely with my office to identify, prioritize and protect the State's broad array of critical infrastructure and key resources (CI/KR). These efforts have been closely coordinated with a broad array of private-sector partners—those entities that own and operate the bulk of the State's assets and resources. Such partnerships include site owners and operators, first responders, public and private organizations and associations, and other levels of government, including local, State, federal, and tribal partners.

The Automated Critical Asset Management System (ACAMS) is the data-management tool that has been selected to specifically capture, store, retrieve and review CI/KR data. The ACAMS data-management tool coordinates: Critical Asset Inventory and Prioritization Modeling; Asset Manager Questionnaires (promotes Public/Private partnerships); Critical Asset Assessments (CAAs); Site-Specific Pre-Incident Security Enhancement Plans; Buffer Zone Protection Plans; Building Inventories; and Site-Specific Post-Occurrence/Response Plans.

Building a More Robust and Sustainable Network of Fusion Centers

As I mentioned earlier, embedding DHS personnel in regional and state fusion centers is a positive development. DHS should take every opportunity to replicate the success of this initiative by detailing analysts from other components of the Department. Fusion centers should be the logical base of operations for DHS's Protective Security Advisors, rather than being assigned to Secret Service field officers. Additionally, Congress is provided additional resources to the Department to deploy Mass/Surface Transit Security and Aviation Security analysts. These personnel would also be good candidates for embedding in regional and state fusion centers. Indeed, all agencies and Departments with either law enforcement or emergency response capabilities should have a significant presence at regional fusion centers. Currently the United States Coast Guard, Federal Bureau of Investigation, and the Drug Enforcement Agency participate in California's fusion centers. Our prevention, analytical and information sharing capabilities could only be enhanced by a sustained commitment from the Immigration

and Customs Enforcement Agency, the Alcohol, Tobacco, and Firearms and Explosives Agency, and Transit Security Administration.

DHS should also expedite the fielding of the Homeland Security Data Network (HSDN) system to the State fusion center. This long awaited project is a needed improvement to California's information sharing and analytical capabilities, as the HSDN system will allow the STTAC and OHS analysts access to some levels of classified information and connectivity with the RTTACs and DHS at the classified level.

Security clearances - both in terms of availability and proper level - remain an issue for State and locals. Perhaps the most recent and best example I can provide you with, is the classification of the new Presidential Homeland Security Directive regarding cyber security at the Top Secret level. Unfortunately, the Department has not recognized the need to issue Top Secret clearances to State and local public safety officers - even those whom bear the responsibility of implementing national security directives.

Finally, inconsistent guidance (Information Bulletins 235 and 281) regarding the use of federal funds under the State Homeland Security and Urban Area Security Initiative Grant programs has been extremely counterproductive and detrimental to State and local efforts to build and sustain a network of fusion centers.

To be effective, fusion centers must be staffed with well trained and properly cleared personnel. The National Strategy for Information Sharing acknowledges the importance of personnel and states, "the Federal government will support the establishment of these centers and help sustain them through grant funding, technical

assistance, and training."¹ Congress also recognized the value of staffing fusion centers in passing H.R. 1, the Implementing Recommendations of the 9/11 Commission Act (9/11 Act), which explicitly allows states and locals to utilize homeland security grants to hire personnel to staff fusion centers. Notwithstanding the urgent operational need and unequivocal legislative intent, the Department has continued to issue contravening grant guidance. For these reasons, I was heartened to learn of the recent letter sent by the Senate and House Homeland Security Chairs and Ranking Members to Secretary Chertoff admonishing this inconsistent guidance. I agree with the Committee that the guidance is a short sighted and detrimental change to existing practices and destructive of the nation's prevention and protection efforts and, therefore, should be retracted. Additionally, IB 281, which sought to alleviate some of the overly restrictive guidance, should be modified to reflect the permitted uses of the grant funds under the 9/11 Act.

State and locals have invested a lot of time, money and personnel to terrorism prevention and have absorbed the vast majority of the costs for prevention, protection and infrastructure preparedness with state and local funds. Creating, establishing and sustaining fusion centers has been a success story. Staffing them with qualified, cleared analysts has been and remains a challenge. These analysts and fusion centers also clearly work to the benefit the federal government by allowing for better information sharing and real time communication during a crises.

Putting unnecessary restrictions on funding while we are still in the developmental stage of the fusion centers and the information sharing is unwise. The lack of analysts will have adverse consequences in our infrastructure protection efforts,

¹ National Strategy for Information Sharing, October 2007

including their review of classified information and providing information back to DHS's Infrastructure Protection Directorate. California is conducting a number of comprehensive reviews with the Department and fusion center analysts are assisting in these efforts. We have also developed and invested significant resources in the identification and training of several thousand TLOs at government and private agencies throughout the state. Without a functioning fusion center system, the information gathered by these TLOs will be at risk of not being collected, as the system needs constant attention and skills refreshment.

DHS should heed the advice of Secretary Chertoff's Homeland Security Advisory Council, which recently recommended that, "outgoing DHS leadership should continue to vigorously support the establishment of state fusion centers with both funding and personnel."²

Again, thank you for this opportunity to be here today. I will be happy to take your questions.

² Homeland Security Advisory Council, Report of the Administration Transition Task Force, January 2008