

Statement for the Record

of

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Before the

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Ad Hoc Subcommittee on State, Local and Private Sector Preparedness and Integration**

Focus on Fusion Centers: A Progress Report

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Thank you, Senators Pryor and Sununu, for the opportunity to come before the Senate Homeland Security and Governmental Affairs Committee's Ad Hoc Subcommittee on State, Local and Private Sector Preparedness and Integration to talk about the progress the 58 fusion centers have made in the last three years. I hope my testimony helps this committee in its continuing efforts to assist the states and major urban areas in the development and continuing improvement of these centers.

The Department of Homeland Security is working closely with our federal, state, and local colleagues to implement the President's National Information Sharing Strategy, a key element of which are state and major urban area fusion centers. With Secretary Chertoff's support, Under Secretary Charles Allen, who serves as the Department's Chief Intelligence Officer, has made the development of fusion centers a priority, and I am pleased today to present you with a report of our progress. As a Department, we are supporting fusion centers by deploying DHS intelligence officers to centers, providing grant funding for their development and operation, connecting networks and systems, strengthening communities of interest, and promulgating guidelines and common standards that enable best practices to flourish.

The first and most important piece of progress I have for you today is that DHS' Office of Intelligence and Analysis now has 23 officers deployed and serving in fusion centers around the country. Many of you will remember how we struggled two and half years ago to get the first officer deployed to Los Angeles. That officer and his 22 counterparts now have become the pathfinders for the way the federal government shares information and intelligence with its state, local and tribal partners – precisely what the 9/11 Commission and Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007* said we needed to do.

These talented men and women are using their varied experiences and skills as intelligence professionals to provide their other federal, state, local, and tribal partners with the information they need to keep America safe – and connected. Those very same skills allow them to cull the best of what the fusion centers are collecting and analyzing and ensure that this information gets to the appropriate people. This level of information sharing has never occurred before, and Secretary Chertoff, Under Secretary Allen and I are proud of these officers and what they have accomplished in such a relatively short period of time.

Please don't take just my word for this record of achievement. When I was in San Francisco for the National Fusion Center Conference in February, I was gratified by the number of state and local officials who came up to Under Secretary Allen and me to voice their unsolicited praise for the work our officers are doing. I have no doubt that you would find the same reactions when you talk to your state homeland security advisers and local law enforcement and public safety officials.

Secretary Chertoff, Under Secretary Allen and I are also committed to providing fusion centers with all the tools they need to succeed in our collective mission to prevent, protect, and respond to any threat or hazard America faces. I am pleased to report that the Homeland Security Data Network (HSDN) is now deployed in 19 fusion centers. HSDN enables access to the National Counterterrorism Center (NCTC) On-line, a classified portal that maintains the most current terrorism-related information at the Secret level. HSDN also provides the fusion centers – and

through them the states – with a window into the national intelligence community that they can use for their own information needs. We are working with the Department of Defense and other members of the Intelligence Community to expand the offerings available through HSDN and have received helpful support from our state and local customers in this effort.

Another progress report I am pleased to deliver is on security clearances. When I arrived at DHS from the private sector two and half years ago, the wait time to receive even a Secret-level clearance was nearly two years and the backlog of applicants was enormous. Thanks to the efforts of the DHS and I&A Offices of Security, we have dramatically reduced the amount of time it takes to grant those clearances and nearly eliminated the backlog. The FBI also played an integral role in reducing this backlog over the last two years, especially by working with DHS to establish a reciprocal clearance process whereby security clearances for fusion center personnel are recognized by both agencies, regardless which agency issued the clearance.

The fusion center program is yielding substantial returns on investment. In the past six weeks, information from two of the centers has been passed to a key international partner in the war on terror, which then opened cases upon receiving the information. DHS received a letter expressing that country's gratitude for the information. In another case, information fused at a center in the Midwest was briefed to the President in the Presidential Daily Brief. This information would not have been gleaned without state and local participation in the process and illustrates the importance of the centers to the federal government.

However, while successful thus far, there is still much work to be done, such as the creation of policies and procedures that ensure a predictable and uniform approach to how we interact with these centers. The State and Local Program Office, under my leadership, will work hard over the next year to solidify our program and bring certainty in the relationship. Moreover, state and local leaders continue to work tirelessly to assist in protecting our nation. We ask Congress to ensure their efforts are recognized and rewarded. This relationship is proving to be an excellent model for keeping America safe.

I have given you the progress highlights. Now let me provide some additional context as to how far we have come in the last couple of years, and some of the significant changes that await us as we move forward to better prepare the American people for the threats they face. You will recall that after 9/11, the federal government had been working with state and local officials to find a way to assist with their information-sharing efforts, primarily through the development of policy and guidelines, not direct support. Working with our colleagues in the Department of Justice (DOJ) and in coordination with the Global Justice Information Sharing Initiative and the Criminal Intelligence Coordinating Council (CICC), a DOJ-sponsored group whose members include the Major City Chiefs, International Association of Chiefs of Police, Major County Sheriffs and many other law enforcement and public safety organizations, we undertook the challenge of creating the *Fusion Center Guidelines*. These guidelines, which complement the President's *National Strategy for Information Sharing*, were an important first in many steps in formalizing the federal government's relationship with state and local fusion centers. The guidelines also served as a roadmap for the Department of Homeland Security, as we used these same guidelines when determining our own involvement in the fusion centers.

The process of carrying forward the guidelines to create our own involvement in the centers was well underway when I arrived at DHS. After Secretary Chertoff asked I&A to improve our information and intelligence-sharing efforts, we drafted a plan with participation from all 22 areas within the Department that recommended direct participation in fusion centers with the deployment of DHS personnel, both intelligence professionals as well as operational personnel. The Secretary also identified I&A as the executive agent within DHS for coordinating the Department's activities with the centers.

To assist the states and urban areas in meeting their intelligence and information needs, DHS created a Program Office within I&A to work specifically on addressing the concerns of state and local officials and to manage the deployment of intelligence and operations personnel to the centers. The State and Local Program Office, which reports directly to me, has become a focal point for information sharing with our state and local partners, not only within I&A, but the Department at large.

This office also has the responsibility of managing the Department's Homeland Security Information Sharing Fellows Program, the creation of which was directed in the recent 9/11 legislation. I am pleased to report that this office has met every goal and milestone established by DHS in sharing intelligence with our state and local partners. Let me take my remaining time to raise your awareness of the level of effort now being exercised to support these centers.

Within I&A, we are extremely fortunate to have Under Secretary Allen's and Deputy Under Secretary for Intelligence Mary Connell's complete support of our work. Under their leadership, we have delivered excellent analytical support to our customers. The analytical and production (A&P) divisions provide support specifically dedicated to Critical Infrastructure Protection Assessment, CBRNE (Chemical, Biological, Radiological, Nuclear, and Explosive), Borders, Radicalization, and Demographics. Each of these divisions has developed analytical relationships with their state and local peers. As a result of these relationships we have seen a tremendous growth in the number of analytical products, sometimes carrying the seals of four and five partners.

The A&P divisions have sponsored a series of analytical conferences for state and local analysts with specific topics such as Borders, CBRN, and radicalization. These conferences allow for direct interaction among DHS, other federal intelligence professionals, and their state and local counterparts. The feedback from these conferences indicate they are well received and useful to our customers.

Another area where I&A has improved its support to fusion centers has been in production management and analysis. Over a six month period, DHS I&A undertook a pilot project, working with six of our fusion center partners to examine their day-to-day information needs. By working with I&A deployed personnel, assigned pilot personnel within I&A headquarters and most importantly our state and local partners, I&A was able to develop a precise set of information needs. The contractor who conducted the pilot said in his report that there was a need for more precise information streams and greater participation by the state and locals in the development of the information. As a result, we changed how information flowed within the department and created a single point of service for supporting our state and local partners.

Another focus of the pilot was to further exercise the benefits of open source information. Working with the Office of the Director of National Intelligence, I&A was able to conduct training catered specifically for use in fusion centers. Feedback on this training has been among the most positive concerning I&A's offerings. These changes have helped simplify processes both in the field and at headquarters. We believe that much of the criticism of these efforts fails to account for these facts, and it ignores the many substantial improvements we have made in this area. Because it is in the interest of our customers and the taxpayers that we continue to improve our service, we are extending the pilot to a complete review of our efforts with all fusion centers. We hope this committee and others in Congress support our efforts.

The fusion centers have also seen an increased level of support from I&A's policy and training divisions. Specific training plans are being developed to support not only our deployed officers, but the training needs of the state and local analysts assigned to the centers. We have conducted Reports Officers training, as well as intelligence-writing courses, and the Training Branch is working with the DHS Office for Civil Rights and Civil Liberties and the DHS Privacy Office to develop the Privacy and Civil Liberties training required by the 9/11 Act. In Mission Integration, we continue to work with our component partners to weave them into the fusion process practiced in the 58 fusion centers throughout the United States. In many centers, DHS components such as Immigration and Customs Enforcement (ICE), Customs and Border Protection (CBP), Transportation Security Administration (TSA), and the Coast Guard routinely work with state and local officers to better understand what DHS does day-to-day within their geographic areas and to find common methods and practices of keeping their areas of responsibility safe.

Guiding all of our fusion center efforts is our attention to privacy and civil liberties rules, including the appropriate use and share of data. The DHS Privacy Office and Office for Civil Rights and Civil Liberties are essential partners in this effort and are working closely with I&A to ensure the centers operate in accord with current statutes and guidelines. Both offices have conducted Impact Assessments as required by the 9/11 Act, and both offices are increasingly recognized by the centers as playing a key role as the centers evolve. Both offices have conducted and continue to develop training to ensure Americans' individual rights are well protected, and that protections become inherent across all fusion centers. I have made it a priority under my watch that both offices be engaged in every aspect of our relationship, and recently directed the transfer of a significant amount of Program Office funds to these two Offices to ensure these mandates are met. They are already working in conjunction with the DOJ Bureau of Justice Assistance to make this training available to fusion centers starting in 2008. This effort will build on existing training in this area.

To foster collaboration and share best practices and lessons learned within the fusion center network, DHS sponsors the Homeland Security State and Local Intelligence Community of Interest (HS SLIC), a virtual community of intelligence analysts from across the country -- currently, 1,000 members from 42 states, the District of Columbia, and six federal departments. Through the HS SLIC, intelligence analysts across the country collaborate via weekly threat conference calls, analytic conferences, and a secure Web portal for intelligence information sharing at the sensitive-but-unclassified level.

The HS SLIC Steering Group, comprising SLFC leaders, advises the DHS Office of Intelligence and Analysis on state and local issues. A sub-set of the Steering Group, the HS SLIC Advisory Board, provides advice to the Under Secretary and Deputy Under Secretary of Intelligence on issues affecting the intelligence relationship between DHS and the state and local intelligence community. The advisory board is comprised of two steering group members from each of the four HS SLIC regions, and at-large members appointed by the Under Secretary or Deputy Under Secretary for Intelligence, as appropriate.

I&A has developed tools for supporting information exchanges, specifically to support the fusion centers. The HSIN-Intelligence portal hosts a restricted portion for the HS SLIC and is the means for disseminating all I&A finished intelligence products. I&A also provides access to classified national security systems, such as secret telephones and the Homeland Security Data Network (HSDN).

The HSIN-Intelligence secure Web portal has fused technology with the governing business processes to ensure the proper protection of sensitive intelligence and privacy-related information; supporting and upholding federal laws and policies, as well as accommodating the laws and policies uniquely applicable to the state and local jurisdictions from which participating agencies and their assigned government officials are represented. The HS SLIC, and its enabling HSIN-Intelligence portal, enjoys robust membership and supports important analytical communications between fusion centers and the federal Government. In doing so, it makes a significant contribution to the National Strategy for Information Sharing, which calls for an “information sharing framework that supports an effective and efficient two-way flow of information enabling officials at all levels of government to counter and respond to threats.”

I now want to address the fine work of I&A’s DHS partners, who through fusion centers have set benchmarks in how the department should work collaboratively to exercise the benefit of all of DHS combined national security efforts. One of the closest relationships the State and Local Program Office in I&A has within the Department is with FEMA’s Technical Assistance Branch. Working with I&A and DOJ, this office has delivered nearly 100 joint technical assistance services to fusion centers across the United States. This should please members of this Committee, as the focus of this joint effort with DOJ’s Bureau of Justice Assistance is to ensure that redundancy is eliminated and that grant resources are optimized and exercised to improve the capability of the centers. I am sure my colleague here today, Mr. Van Hitch from the Department of Justice, will also emphasize this relationship as we believe it is the model within DHS and the federal government.

Both the Intelligence Liaison Officers Program and Terrorism Liaison Program demonstrate the effectiveness of this relationship. Each program is designed to ensure the information contained within fusion centers reaches the street level police officer and firefighter, and just as important, provides them with a pathway for providing information back to the center and through it to the federal government. These programs are administered jointly by, and the training conducted with participation of, grant and technical experts from both Departments.

I&A is also working with FEMA to begin understanding how to better transfer the knowledge and situational awareness contained within fusion centers to FEMA’s Emergency Operations

centers during times of crisis. My deputy, Chet Lunner, has met with FEMA and Emergency Management officials from across the country to begin exploring how fusion centers can better support FEMA's response and recovery efforts in times of crisis. I am confident this is the type of coordination Congress anticipated when the Department was created.

Another joint I&A-FEMA joint effort concerns the development of the Fire Service Intelligence Enterprise. Though not a federally sanctioned establishment or organization, its establishment by state and local fire service officials and industry groups was a result of advice and support provided by the State and Local Program Office to the New York City Fire Department (FDNY) and FEMA's United States Fire Administration. This relationship contributed to a draft approach for state and local fire services to share threat and related information among the country's nearly 1.2 million firefighters and EMS customers. I&A continues working with the United States Fire Administration and the National Fire Academy in Emmitsburg, Maryland, to incorporate intelligence training into their course curriculum and ensure our first responders better understand the events surrounding or leading up to their involvement in an incident.

As the executive agent within the Department for fusion centers, I&A has also started to identify, with the help of the DHS Operations Directorate, a more predictive and robust level of support in the National Operations Center (NOC) and the other DHS operations centers located within DHS components. Recent presentations to state and local officials at a national conference received warm support in this area, which has been identified by our customers as a source of frustration. By identifying a single access point within the Department and bringing broad Department support to the fusion centers through the NOC, DHS has mitigated the confusion of how best to interface with a department of our size, with 22 different components and 208,000 employees.

In addition, we are engaged with a variety of efforts, as part of the Information Sharing Environment to standardize and institutionalize suspicious activity reporting (SAR) nationwide. Internally, we are developing a process that will ensure SAR reporting across the Department and component agencies is standardized and information is ready for distribution to fusion centers.

I&A and the State and Local Program Office have also worked with DHS' Office of International Affairs to support the State Department-led June 5, 2007, Tri-lateral Counter-terrorism Consultations in Sydney, Australia. Taskings from this Consultation have the State and Local Program Office working with our International Affairs Office to develop relationships with fusion centers in Australia and Japan to share best practices, most notably the expansion of awareness concerning Privacy and Civil Liberties and Civil Rights within these centers.

Our DHS component partners also have reached out to embrace fusion centers, with many planning on expanding their participation in future DHS budgets. In Las Vegas for example, the Transportation Security Administration, Customs and Border Protection, United States Secret Service, Immigration and Customs Enforcement, the locally assigned Protective Security Advisors and I&A all have robust and fruitful relationships.

A recent addition to DHS efforts to assist state and local governments has given a boost to growing our relationship with these centers. The appointment of Ted Sexton as the Assistant

Secretary for Law Enforcement in DHS has paid immediate dividends. Mr. Sexton, an acting and elected Sheriff from Tuscaloosa County, Alabama, has worked with I&A to ensure we understand the homeland security-related needs of law enforcement, not only in the centers, but in local police departments that interact with fusion centers as well. The re-establishment of the Major City Chiefs Association Intelligence Commanders Working Group, which Mr. Sexton's office serves in an advisory capacity, is an example of the success he has achieved in a very short time.

DHS has been able to accomplish a great deal in the last three years of supporting the development of fusion centers. However, none of this would have been possible without the support of our federal partners, most notably at the DOJ, the DNI, and Program Manager of the Information Sharing Environment.

The National Fusion Center Coordination Group (NFCCG), co-chaired by the Director of I&A's State and Local Program Office and the Deputy Director of Intelligence in the FBI and established as part of the Information Sharing Environment, has membership from the FBI, DOJ, DHS, DNI, PM-ISE and five regionally appointed state and local fusion center leaders. This group works primarily to bring solutions to federal government leadership in a variety of areas concerning fusion centers. Some examples of their work include the drafting and follow-up of a letter sent to the governors of each state asking for designation within each state of a primary fusion center to better assist federal efforts in ensuring the development of a national integrated network of state and major urban area fusion centers, as called for in the President's National Strategy for Information Sharing.

This group has also developed a draft baseline capabilities document, *Baseline Capabilities for State and Major Urban Area Fusion Centers*, to ensure that a minimum capability is realized within each designated fusion center as part of the national integrated network. This work is vital in assisting state and local governments in determining information-sharing gaps and possible issues common across the national network.

The NFCCG has also worked to assist DHS and the FBI in ensuring overlap in the support of these centers is minimized to the fullest extent possible. The NFCCG has also conducted its first annual assessment of fusion centers to determine areas that federal partners should concentrate on to continually improve.

Last, but certainly not least, the NFCCG has coordinated a series of national and regional fusion center conferences. The two most recent national conferences, in Destin, Florida, in 2007, and San Francisco, California, in February 2008, are widely considered by fusion center managers and personnel to be highly productive and successful. Nearly 600 delegates attended in 2007, and we reached capacity this year at almost 900, with several hundred interested participants turned away. Staffers from this Committee were in attendance and can attest to it being the seminal information-sharing conference of state and local governments, fusion centers and their federal partners. All of this work is done jointly and again illustrates how fusion centers have set a standard in cooperation within DHS, across federal agencies and with our state and local partners.

Thank you for your consideration of this testimony about the Department of Homeland Security's efforts to support the development of state and major urban area fusion centers.