

DIANNE FEINSTEIN, CALIFORNIA, CHAIRMAN
SAXBY CHAMBLISS, GEORGIA, VICE CHAIRMAN

JOHN D. ROCKEFELLER IV, WEST VIRGINIA
RON WYDEN, OREGON
BARBARA A. MIKULSKI, MARYLAND
BILL NELSON, FLORIDA
KENT CONRAD, NORTH DAKOTA
MARK UDALL, COLORADO
MARK WARNER, VIRGINIA

OLYMPIA J. SNOWE, MAINE
RICHARD BURR, NORTH CAROLINA
JAMES E. RISCH, IDAHO
DANIEL COATS, INDIANA
ROY BLUNT, MISSOURI
MARCO RUBIO, FLORIDA

United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20510-6475

HARRY REID, NEVADA, EX OFFICIO
MITCH MCCONNELL, KENTUCKY, EX OFFICIO
CARL LEVIN, MICHIGAN, EX OFFICIO
JOHN MCCAIN, ARIZONA, EX OFFICIO

DAVID GRANNIS, STAFF DIRECTOR
MARTHA SCOTT POINDEXTER, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

October 19, 2011

The Honorable Patty Murray, Co-Chair
The Honorable Jeb Hensarling, Co-Chair
Joint Select Committee on Deficit Reduction
825B Hart Senate Office Building
Washington, DC 20510

Dear Senator Murray and Representative Hensarling:

We write to amend our letter of October 14, which contained incorrect budget figures for intelligence spending. Please use this letter for your official consideration.

We write to present our views and recommendations regarding the National Intelligence Program in accordance with the Budget Control Act of 2011 (BCA). While this letter is necessarily general for classification purposes, we will be pleased to discuss these matters in greater depth at your convenience.

The Nation's fiscal condition requires cuts to discretionary spending and we believe the intelligence agencies should bear their share of cuts within the security category. Under the BCA, the National Intelligence Program will be subject to the ten-year discretionary statutory caps included; we recommend against any additional reductions for the Intelligence Community in the Joint Select Committee on Deficit Reduction (JSC) recommendation to the Senate and House of Representatives.

In the aftermath of the September 11 attacks, the Congress responded swiftly and provided the necessary resources to counter the terrorist threat and to return to "global coverage." In October 2010, the Administration stated that in fiscal year 2010 a total of \$80.1 billion was appropriated for intelligence, of which \$53.1 billion was for the National Intelligence Program (NIP) and \$27.0 billion was for the Military Intelligence Program (MIP). These figures (the most recent to be declassified), represent a doubling in intelligence spending over the past ten years.

This rapid growth in budgets and personnel addressed critical needs, and the Intelligence Community today is performing at the highest level since the Cold War. Intelligence analysis and operations have prevented numerous terrorist attacks against the nation. Senior policymakers rely on the timely, actionable intelligence they receive every day in making decisions and interacting with foreign leaders. The magnitude and speed of the growth in intelligence budgets did, however, result in programs and activities that were not always fully coordinated or integrated.

It is therefore our hope and belief that the discretionary cap on security spending can be implemented without significantly harming our intelligence capabilities in the years ahead. However, cuts beyond the \$450 billion already required by the BCA and the threat of an additional \$500 billion through the sequestration process, will compromise missions such as strategic warning, counterterrorism activities, counterintelligence, and cybersecurity. Such cuts would repeat the painful experience following the end of the Cold War and could ultimately lead to higher costs in recovery or response due to the failure to prevent a terrorist attack or avoid unnecessary conflict. Put another way, an ounce of prevention is worth a pound of cure.

The Senate Select Committee on Intelligence (SSCI) is committed to examining every intelligence position, platform and program to reduce costs and increase performance. We will continue to review the budgets and operations of the various agencies within the Intelligence Community in the annual authorization bills to find efficiencies and provide spending reductions without sacrificing effectiveness.

One such area of review, the reducing reliance on contractors and the real costs associated with their use, potentially can yield significant savings. We believe our review will assist in our efforts to reduce costs within the Intelligence Community and should be extended to other federal agencies.

We intend to work with the Director of National Intelligence and the leadership of the 16 intelligence agencies to ensure scarce resources will be applied to priority missions first and foremost, and that lower priority efforts are curtailed or ended.

We hope you will be successful in your goal and we look forward to working with you as your Committee deliberations continue and we stand ready to assist you in your efforts.

Sincerely,



Dianne Feinstein
Chairman



Saxby Chambliss
Vice Chairman

cc: The Honorable Daniel Inouye, Chairman, Senate Committee on Appropriations

The Honorable Thad Cochran, Ranking Member, Senate Committee on Appropriations