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Intelligence Reform

Secretary Colin L. Powell

Opening Remarks before the Senate Governmental Affairs Committee
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[Written Remarks](#)

(9:30 a.m. EDT)

SECRETARY POWELL: Thank you very much, Madame Chairman, Senator Lieberman and members of the committee. I'm pleased to be here today with my colleague, Tom Ridge.

I must say I'm taken aback by all these musical metaphors. You obviously have not seen my performances on the international stage around the country and around the world. (Laughter.)

But I am pleased to have this opportunity to share with you my thoughts on the reform of the intelligence community. I have been a consumer of intelligence in one way or another throughout my 40 plus years of public service: From the tactical level on the battlefield as a second lieutenant, to the highest levels of the military, as Chairman of the Joint Chiefs of Staff, National Security Advisor, and now, as Secretary of State. And I hope that I can offer some helpful insights from the perspective of the conduct of America's foreign policy.

Before I start, though, let me add my thanks to those of millions of other Americans to the members of the 9/11 Commission for their careful examination of what went wrong during the run up to that terrible day three years ago and for their thoughtful recommendations to ensure that nothing like that can ever happen again. And let me also thank you, Madame Chairman, and the members of the committee for the dedication that you have applied to this task over the last several weeks and I hope that you are able to complete your work, as Senator Lieberman said, before adjournment.

Madam Chairman, let me say at the outset that I fully support President Bush's proposals on intelligence reform. A strong national intelligence director is essential. That strength is gained primarily by giving the NID real budget authority. In that regard, the President's proposal will give the NID authority to determine the budgets for agencies that are part of the

National Foreign Intelligence Program.

As recommended by the 9/11 Commission, the NID will receive funds appropriated for the NFIP and he or she will have the authority to apportion those funds among the NFIP agencies. The NID will also have the authority to transfer funds and to reprogram funds within the NFIP, as well as approve authority for transfers into or out of the NFIP. The President has empowered the NID in other ways as well. For example, in addition to the budget authority I have just described, the NID must concur in the appointment of heads of intelligence community agencies if those appointments are made by department heads. And if the appointments are made by the President, the recommendation to the President must be accompanied by the NID's recommendation.

Additionally, the NID will have authority to establish intelligence requirements and priorities and manage collection tasking, both inside and outside the country; also to resolve conflicts among collection responsibilities, and also to ensure full and prompt information-sharing, to include making sure that all agencies have access to all intelligence available and needed to carry out their missions and to perform independent analysis; finally, to establish personnel, administrative and security programs for the intelligence community.

The President's proposal does not adopt the 9/11 Commission's recommendation that the NID have deputies from DOD, CIA and the FBI. President Bush believes that we need clear lines of authority and to have in the structure people who have to report to two different masters would not contribute to clarity of responsibility and accountability. The President's proposal does put the National Counterterrorism Center under the supervision of the NID. Moreover, if any other such centers were judged necessary, those two would fall under the NID.

For example, the President had requested that the Rob Silverman Commission look at the possibility of a weapons of mass destruction center. To give the NID the sort of independent help that he will require to do his job, the President's proposal includes a cabinet-level joint intelligence community council, upon which I and my national security colleagues would sit.

This council would advise the NID on setting requirements on financial management to include budget development, on establishing uniform policies and on monitoring and evaluating the overall performance of the intelligence community.

Perhaps, later, Madame Chairman, as we discussed before the hearing, I could give you a little experience of what the Joint Chiefs of Staff are like and how they operate and how there are some parallels to how this council might operate.

Finally, the President's proposal will require important changes to the 1947 National Security Act, changes I know that members of this committee will be looking at carefully. An example of such a change would be the plan to establish the new position of the Director of CIA and to define the possibilities of that agency, responsibilities that will continue to include the authority for covert action and the need to lead in the area of HUMINT collection.

Madame Chairman, I know that this committee will look closely at the President's proposal. I have been in government long enough to know, also, that you and the other members of Congress will make changes to the President's proposal. Of course, that is your priority. Nay, it is your duty as the people's representatives.

As you and the other members of this committee in the Congress are reviewing the President's proposal, and as you are considering what final product of your very important deliberations will actually be, I would ask that you take into account the unique requirements of the Secretary of State and the Department of State and of the conduct of foreign policy for which I

am responsible to the President and to the American people.

Let me give you some insights, if I may, on why the Secretary of State's needs are somewhat unique, but why they, too, would be well served by such reform as President Bush has proposed.

Diplomacy is both offensive and defensive in its application. At the State Department, we are the spear point for advancing America's interests around the globe. We are also our first line of defense against threats from abroad. As such, our efforts constitute a critical component of national security.

Our efforts must not be seen as an afterthought to be serviced by the intelligence community only if it can spare priorities and resources from other priorities, which they consider higher.

Madame Chairman, the old adage of, "An ounce of prevention is worth a pound of cure," describes what I am implying to a tee. Our needs are as great as any other consumer of intelligence in the United States Government. In that regard, there are a few critical considerations that should be borne in mind as we, the Administration and the Congress, design an intelligence establishment for the 21st century.

First, as Secretary of State, I need global coverage all the time. This does not mean that the intelligence community should cover Chad as robustly as it covers North Korea. But it does mean that I need intelligence on developments in all countries and regions. I need it to provide information and insight to our ambassadors around the world and to those of us in Washington.

We all must deal on a daily basis with problems that range from the impact of instability in Venezuela or Nigeria, on world oil prices, to ethnic religious, regional and the political conditions that challenge our values, spawn alienation and terrorists, threaten governments friendly to the United States and impede or facilitate the export of American products.

Many times in my career, I have found myself dealing with a crisis in a country that was on no one's priority list until the day the crisis hit. And that's why we have to think comprehensively and not set aside any part of the world or any country of the world as not being of interest to us.

Second, as Secretary of State, I need experts on -- I need expert judgments on what is likely to happen and not just an extrapolation of worst-case scenarios. The intelligence community we now have provides fantastic support to the military, both planners in Washington and commanders in the field, and it should do that. In many cases it's: Organization priorities, allocation of resources and mindset have evolved specifically to support military planning and operations. Worst-case scenarios are prudent and are often sufficient for my colleagues in the military; and I certainly remember the days when I got these kinds of analyses and they were so useful, but they are generally not quite as useful to the conduct of diplomacy.

They are not as useful because in the world of diplomacy, I need to know what is most likely to happen as opposed to just the worst case: what will influence the course of events; what will it take to change the course of events; and how much diplomatic capital or other blandishments it will take to achieve the foreign policy goals of the President in specific circumstances. What usually happens, or what you must deal with is something often far short of the worst case.

An old rule that I've used with my intelligence officers over the years, whether in the military, or now, in the State Department, goes like this: Tell me what you know. Tell me what you don't know. And then, based on what you really know and what you really don't know, tell me what you think is most likely to happen. And there's an extension of that rule with

my intelligence officers: I will hold you accountable for what you tell me is a fact; and I will hold you accountable for what you tell me is not going to happen because you have the facts on that, or you don't know what's going to happen, or you know what your body of ignorance is and you told me what that is.

Now, when you tell me what's most likely to happen, then I, as the policy maker, have to make a judgment as to whether I act on that, and I won't hold you accountable for it because that is a judgment; and judgments of this kind are made by policy makers, not by intelligence experts.

And I think this has been a rule that's been very useful to me over the years, and it allows my intelligence organizations to feel free to give me the facts, but also feel free to give me the most likely occurrence, knowing that I bear responsibility for making decisions on the basis of that middle-range of information on what is most likely to happen.

The needs of diplomacy require more than a good ability to imagine the worst. They require real expertise, close attention and careful analysis of all source information. To be helpful to me and my colleagues in the Department of State, many of whom are extremely knowledgeable about the countries and issues they cover, the intelligence community must provide insights and add value to the information that we already collect through diplomatic channels. When the intelligence community weighs in with less than this level of expertise, it is a distraction rather than an asset.

Third, to do my job, I need both tailored intelligence support responsive to, indeed, able to anticipate my needs, and I need informed, competitive analysis. Precisely because my intelligence needs differ from those of the Secretary of Defense or the Secretary of Homeland Security or the Secretary of Energy, not to mention the unique requirement of our military services, I'm not well served, nor are they, by collectors and analysts who do not understand my unique needs, or who attempt to provide a one-size-fits-all assessment.

I am well served by my own intelligence unit, as you noted -- was noted by many observers, the [Bureau of Intelligence and Research](#), or INR, and I'm pleased to have with me the director of that Bureau, Mr. Tom Fingar. Raise your hand, Tom. INR draws upon comparable and complementary expertise elsewhere in the intelligence community, and it must be able to do this to function at its best.

To respond to Senator Lieberman's point earlier, INR must have a seat at the table. It has a seat at the table now. Tom and his folks have no reluctance to engage with the other elements of the intelligence community. And as we put this new design in place, we have to make sure that access is as great as ever. But INR is principally a staff agency of mine, not like all of the other intelligence organizations that we will be examining in the course of these proceedings.

Any reorganization of the intelligence community must preserve and promote intelligence units that are attuned to the specific requirements of the agencies they serve. Such units should be designed to ensure their independence and objectivity, but at the same time be sufficiently integrated into the parent organization to ensure intimate understanding of what is needed, when it is needed, and how it can most effectively be presented to policy makers. That's the relationship that I have with INR.

My INR must be able to recruit and retain genuine experts able to provide real value to the policy making process. This requires appropriate and different career paths and training opportunities. We need specialists in INR, not generalists: Late-evening relief pitchers and designated hitters, not just utility infielders. For example, INR is in close touch with all of our embassies, in close touch with the regional bureau chiefs of the Department of State.

I see Mr. Fingar every single day. If he's out of town, I see his deputy. We have a morning staff meeting where all of my principal officers come together, and so anything that's going on, I will see Tom face to face at 8:30 in the morning and get his assessment.

In the course of the day, a steady stream of INR material comes to me. His predecessor Carl Ford, changed the way we were doing business at the beginning of the Administration, where once a day, all of us would get a huge packet of everything that had been going on. We essentially disassembled that -- disassembled it so that -- disassembled it so that in the course of the day I might get 10, 15 or so individual items from INR with a quick summary of what the item is all about, and then the item underneath, so I can rapidly see if it's something I need to look at right then, save it for later in the day, or just note it and move it on so that we have a steady stream of real time information and analysis coming in to me in addition to what I get from CIA and so many other sources.

But INR gives it to me in a context that fits my diplomatic and foreign policy needs. North Korea is a good example that you mentioned a few moments ago, Senator Lieberman, when the stories broke over the weekend about some explosion taking place in North Korea, and some speculation as to whether it was or was not a nuclear explosion. My instincts told me it was not a nuclear explosion, not where it happened. It was not in a place we would have expected it, and so I was immediately skeptical. But within a short period of time, INR was able to provide me all the information I needed to make a judgment that I felt confident in going on television yesterday morning on talk shows and saying, "No, it was not a nuclear explosion."

And, as you know, the North Koreans have announced today that they were doing some demolition work for a hydroelectric project, and they're inviting visiting foreign officials, especially from the United Kingdom to visit the site. INR kept me fed all day yesterday, and first thing this morning when I got to the office at 6:35, material was waiting from INR, knowing not just whether it happened or didn't happen, but knowing what my specific needs were to deal with that situation.

An hour and 20 minutes after INR made sure I was well informed this morning, the South Korean Foreign Minister calls me to share notes and talk about what's happening in the area of nuclear weapons development in North Korea. And so, INR knows what my diplomatic needs are, as well as my information, intellectual and intelligence needs are.

Fourth, we also need to take advantage of complementarities, synergy, competitive analysis and divisions of labor. While it is imperative to have more than one analytical unit covering every place and problem, it certainly is not necessary or sensible for everyone to cover everything; nor does it make any sense to pretend that every unit of the intelligence community is equally qualified to make judgments on all issues. You would not give your dentist a vote in the proper course of treatment for a heart problem, and we should not derive much comfort or confidence from any judgment proceeded by "most agencies believe." It's not good enough any longer.

What I need, as Secretary of State, is the best judgment of those most knowledgeable about the problem. INR and the Department of State, more broadly, are home to many specialists who are experts on topics of greatest concern to those charged with implementing the President's foreign policy agenda. But INR is too small to have a critical mass of expertise on almost anything. INR and the Secretary of State need comparable and complimentary expertise elsewhere in the intelligence community.

I rely on all of these others so much. This additional expertise ensures that as much information and as many perspectives as possible have been considered, that differences are highlighted, not muted, and that the sum total of intelligence requirements can be met by combining the different expertise of all intelligence community constituent agencies.

Madame Chairman, it is equally important to recognize and capitalize on the role departmental units such as INR play in the overall national intelligence enterprise. For example, INR is not just an outstanding analytical unit, it is also the primary link between diplomats and the broader intelligence community, as I noted. Specialists who understand collection systems and the unique capabilities of other analytical components anticipate, shape, communicate and monitor tasking requests that ensure that I receive the information I need, when I need it, in a form that I can use.

The links among policymakers, analysts and collection and operation specialists are very short in the Department of State. We have short internal lines of communication, fast lines of communication, and this is critical to ensure that my diplomats around the world obtain the intelligence support they need, when they need it, the intelligence support that they deserve.

Departmental units like INR, structured and staffed to provide highly valued support to their primary customer sets, also support other components of the national security team. We know that INR products are read and used by analysts, policymakers and commanders around the world, who do not have comparable in-house expertise or want a second opinion on subjects of importance. The de facto division of labor within the IC that results, in part, from the promotion and existence of departmental units is critical to the strength and health of the overall intelligence enterprise.

Let me make one other point, Madame Chairman, the intelligence community does many things well, but critical self-examination of its performance, particularly the quality and utility of its analytical products is too often not one of them. Thousands of judgments are made every year, but we've got to do a better job of subjecting all of those judgments to rigorous post-mortem analysis to find out what we did right, as well as what we did wrong. When we did something wrong, why did we do it wrong, to make sure we don't do it wrong again. We have to have alternative judgments in order to make sure that we are getting it right.

Senator Pat Roberts' proposal, for example, talks to this issue and assigns responsibility for conducting post hoc evaluations to a new Office of the Inspector General. I think this is a good idea. One can imagine other places to locate this responsibility and other ways to achieve the desired end, but any reform scheme should include independent review of analytical products.

One more point, if I may, Madame Chairman, then I'll stop and yield the floor to my colleague, Tom Ridge. As you know, President Bush has issued an Executive Order to improve the sharing of information on terrorism. We need to extend its provisions to intelligence on all subjects. In this regard, simple but critical guidelines would include separation of information on sources and methods from content so that content can be shared widely, easily and at minimal levels of classification. For this to work, collectors must have clear ways to indicate the degree of confidence that the information is reliable and user friendly procedures for providing additional information for those who need it.

Changes implemented by former DCI George Tenet earlier in this year and incorporated into the production of NIEs are an important step in this direction, but we can and must do even better.

Similarly, decisions on who needs information should be made by agency heads or their designees not collectors. Every day I am sent information that can be seen only by a small number of senior policymakers who often cannot put the reports in the proper context or fully comprehend their significance. Intelligence is another name for information, and information isn't useful if it does not get to the right people in a timely fashion.

And finally, we must do something about the problem of overclassification. Today, the intelligence community routinely

classifies information at higher levels and makes access more difficult than was the case even at the height of the Cold War.

By extension I might say that my folks around the world, even on non-intelligence matter, just reporting what's going on, we tend to overclassify as well. And we have to do a better job of making sure that things are not overclassified so that these can be shared more widely and, therefore, more effectively. We need a better sense of balance and proportion. It isn't good enough for intelligence to reside on a highly classified computer system. If it is to be useful, it has to be available so that it can be used.

One final point to respond to a point that Senator Lieberman made with respect to INR, INR has a budget of roughly \$50 million a year. It is inside of my appropriation, but it is known and carried, also, in the intelligence community overall budget. And I think I would like to keep it that way, and I would protect it in that manner as we move forward.

I have slightly over 300 very, very qualified folks working in INR. They have a tenure roughly approaching 15 years in the work. And so these are experts. They don't move around a lot. They're not part of a floating group of individuals that go around the world. They are both foreign service officers as well as civil servants. A large component of civil servants who have dedicated themselves to a particular expertise or a particular field of endeavor, and I'm very proud of each and every one of them.

Thank you, Madame Chairman.

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