

**STATE AND LOCAL FUSION CENTERS AND THE  
ROLE OF DHS**

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**HEARING**

BEFORE THE

**SUBCOMMITTEE ON EMERGENCY  
PREPAREDNESS, SCIENCE, AND  
TECHNOLOGY**

OF THE

**COMMITTEE ON HOMELAND SECURITY  
U.S. HOUSE OF REPRESENTATIVES**

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

SEPTEMBER 7, 2006

**Serial No. 109-99**

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.gpoaccess.gov/congress/index.html>

U.S. GOVERNMENT PRINTING OFFICE

35-568

WASHINGTON : 2007

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## STATE AND LOCAL FUSION CENTERS AND THE ROLE OF DHS

Thursday, September 7, 2006

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON INTELLIGENCE, INFORMATION SHARING,  
AND TERRORISM RISK ASSESSMENT,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 3:20 p.m., in Room 2118, Rayburn House Office Building, Hon. Rob Simmons [chairman of the subcommittee] presiding.

Present: Representatives Simmons and Sanchez.

Mr. SIMMONS. By unanimous consent, I request that this hearing of the subcommittee on Homeland Security Subcommittee on Intelligence Sharing and Terrorism Risk Assessment will come to order.

Are there any objections?

Hearing none, the subcommittee meets today to hear testimony on the Department's progress in implementing one of the most fundamental aspects of the Homeland Security Act of 2002, specifically, how DHS intends to support State and local information sharing efforts.

I will request that the remainder of my opening statement be placed in the record as if read, and I will simply share again with Mr. Allen my view that the success of fusion centers in many respects will be the benchmark of our success in securing the homeland, that this is one of the most innovative and critical developments that we have, and that we must succeed in this initiative if Federal, State, local and tribal entities are to be successful in sharing information to protecting people in a variety of different locations throughout the Nation.

I note, Mr. Allen, that you agree with that. I hear some of the others nodding in agreement. So at this point I will ask our first witness, Mr. Charles Allen, to begin with his testimony.

### **STATEMENT OF CHARLES E. ALLEN, CHIEF INTELLIGENCE OFFICER, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. ALLEN. Thank you, Mr. Chairman.

It is a great pleasure to be here. I have a very brief opening statement, and I request that my formal written statement be entered into the record.

Mr. SIMMONS. Without objection, so ordered.

Mr. ALLEN. I would like to recognize some of my colleagues just briefly. First Mr. Jack DeMarcio, who is my Principal Deputy for Intelligence and Analysis, and who involves himself almost full-

time reaching out to State and local governments, he is on the road most of the time, as well as my information manager, Dr. Carter Morris, who works closely with the information security environment program manager, Ted McNamara, and serves as a Department of Homeland Security representative on the Information Sharing Council, which Ambassador McNamara chairs. And also here is one of my colleagues, Mr. Chet Lunar, who is head of the DHA State and Local Government Directorate.

New threats demand new strategies to prevent and counter potential terrorist attacks and other threats to the homeland. First responders and front line law enforcement officers must be armed with the information that will enable them first to recognize and then to defeat the threat.

The Department of Homeland Security must similarly gain insights of local law enforcement and emergency personnel as they detect patterns that may involve threats to our homeland.

Our State and Local Fusion Center plan, which I will talk about, is key to helping identify these threats, and is central, as you indicated, to our mission to secure the homeland. The processes and the programs we implement today with our State fusion centers will help us keep more secure for generations to come.

Since 9/11, many State and local jurisdictions have recognized the need to improve their intelligence posture, and they have seen the value of creating fusion centers to do so. Fusion centers are interagency facilities designed by the States to maximize State and local ability to detect, prevent and respond to criminal and terrorist activity, and to recover from natural disasters. These centers compile, analyze and disseminate criminal information, threat assessments, and public safety, law enforcement and health information. They are becoming the centers of gravity for all hazards and all threats within the States.

I recognized soon after my arrival at the Department of Homeland Security 11 months ago that the flow of information between DHS and the State and local authorities needed to be mutual, robust and seamless. This judgment had been reinforced by Secretary Chertoff's Second Stage Review conducted earlier, and by the Secretary's direction to me to reach out fully to State and local governments in the sharing of intelligence and intelligence-related information. As a consequence, we have been working closely with the program manager for Information Sharing Environment, again, Ambassador McNamara, and the Department of Justice on a framework, as required by Presidential guidelines, that will strengthen relationships between the national intelligence community and the State fusion centers.

My Fusion Center plan, approved by Secretary Chertoff in 2006, is a plan which, when implemented, I think will go a long way to meeting the Secretary's goal.

I plan to embed DHS intelligence and operational professionals in State in local fusion centers. My plan has three guiding principles: First, build on existing DHS and Federal agency presence and established relationships with State and local authorities. These relationships serve both parties well, and I neither want to duplicate effort nor inadvertently jeopardize work in progress.

Second, to recognize the particular needs and unique situation of each Fusion Center; one size does not fit all. Fusion centers were established to meet the individual needs of that center. We need to develop a collaborative, synergistic relationship with each one, one at a time, that benefits all parties concerned.

Finally, we must move forward with mutual realistic expectations. Too often in the past we have raised expectations beyond the point where we can deliver. There is a clear and attractive value proposition for us and for the local jurisdictions, but I want to manage their and our own expectations. I want to promise only what we can deliver and expect that which each center can provide to us.

My goal is to establish a mutually beneficial relationship with the State and local fusion centers. We will benefit from access to nontraditional information sources and a closer working relationship with the States. The States will benefit from improved information flow from DHS and among themselves.

I have already deployed officers to support Los Angeles and New York City, as well as Louisiana, Georgia and Maryland, and I am pleased with the results I am seeing. Going forward, we are tailoring our efforts to meet the specific needs of each center.

The process begins with an assessment conducted by a team from my office. The team spends a day or more as required at the center to understand its particular mission, information sources, analytic capacity, information technology infrastructure, security environment, and existing partnerships with other jurisdictions and other Federal agencies.

My team also tries to meet with local FBI agents to discuss our plan and surface any issues of common concern. The assessment results in a set of recommendations to me concerning the staffing and services we can provide which will deliver value both to DHS and to the fusion center concerned.

We have conducted amendments of 12 centers so far, and based on the results of these assessments I am planning to deploy intelligence officers during the first quarter of 2007 to Arizona, Texas, New York, Virginia, Illinois, Florida and California.

I also strongly believe that secure connectivity to the States is essential for this collaboration. I plan on deploying a collateral secret communication system everywhere I send an officer. Our collateral secret communication systems to the States, the Homeland Security Data Network, HSDN, is the analog of the Department of Defense secret Internet protocol network, or Supernet. In the first instance only my officers will have access, but I plan to expand access over time to personnel in the State fusion centers. I intend, by the first quarter of fiscal year 2007, to have HSDN installed everywhere I have an officer assigned to a fusion center.

In conclusion, in close coordination again with Ted McNamara and the Department of Justice, I have developed an aggressive plan on behalf not only of DHS intelligence, but also the entire Department, that fundamentally changes our interactions with non-Federal partners, the State and local jurisdictions. I believe this is one of the most important initiatives that we can take to counter security threats to the homeland.

At Secretary Chertoff's direction, I am moving now quickly to implement this plan. I want to keep you informed of my progress as we proceed. I welcome your questions.

[The statement of Mr. Allen follows:]

PREPARED STATEMENT OF CHARLES E. ALLEN

Chairman Simmons, Ranking Member Lofgren, and members of the Committee, thank you for giving me the opportunity to discuss my plan to enhance intelligence and operational support to state and local authorities. As you know, since the tragic events of 9/11 many jurisdictions—states, some regions, and some cities—have established intelligence fusion centers. As the report of the 9/11 Commission states, the attacks were successful in part because “information was not shared. Analysis was not pooled. Effective operations were not launched.” The result, said the Commission, was that analysts were unable to “connect the dots” that might have revealed the plot. Since then, the Federal Government as well as state and local authorities have taken steps to improve their intelligence posture, including the creation of fusion centers to more effectively share information.

These centers—at which state and/or local officials work in close proximity with federal representatives to receive, integrate and analyze information and intelligence—encourage interagency cooperation and integrate intelligence into a system that can benefit homeland security and counter-terrorism programs at all levels. The states have created these centers to meet their own needs. Most states used the Global Fusion Center Guidelines as a basis for this development. These Guidelines, issued a year ago, were a collaborative effort between State, local, and tribal government officials, the private sector, the Department of Justice, and ourselves. That issuance, under DOJ auspices, made recommendations about the centers' law enforcement role, governance, connectivity standards, databases and security. Revised guidelines were issued last month addressing the role of public safety officials and the private sector in these centers. This revised guideline document also recommends that the fusion centers prepare for future connectivity with other state, federal and local systems.

To date, 42 intelligence fusion centers have been established or are in the process of being established across the country. This number continues to grow. Ohio, for example, opened its Strategic Analysis and Information Center in March; the Los Angeles Joint Regional Intelligence Center opened in July; and San Diego's Law Enforcement Coordination Center will open in November. As intended, these centers will maximize state and local abilities to detect, prevent, and respond to criminal and terrorist activity and recover from natural disasters by compiling, analyzing and disseminating criminal intelligence, threat assessments, and public safety, law enforcement, and health information. The success of these centers depends heavily upon the quality of the information they receive.

I recognized early that the flow of information between DHS and the state and local authorities needed to be mutual, robust, and seamless. Fusion centers are recognized by the DNI as a center of gravity, key to the effective exchange and assessment of information between the Federal government and state and local partners. We have been working closely with the Program Manager for the Information Sharing Environment and the Department of Justice on a framework as required by Presidential guidelines that will strengthen and codify relationships and allow for an effective interface between the National Intelligence Community and fusion centers. The draft framework draws upon existing systems and capabilities, and mandates a coordinated and collaborative approach to sharing homeland security information, terrorism information, and law enforcement information with State, local, and tribal officials and the private sector. The draft framework will enable more effective and efficient sharing of this information both at the Federal level (between and among departments and agencies) and with State, local, and tribal governments and private sector entities.

The Homeland Security Act and the Intelligence Reform and Terrorism Prevention Act give the Secretary—and he in turn delegates to me—broad responsibilities and authority to provide intelligence support to state, local and tribal authorities and to the private sector, specifically in support of critical infrastructure protection and response and recovery efforts. With this in mind and understanding the centrality of state and local fusion centers—their particular information needs and their unique information access—I have developed a mechanism to link effectively these centers with our Department.

My plan is to embed in the centers intelligence professionals whose responsibilities shall include ensuring robust, two-way, information sharing. The plan was the

culmination of meetings with representatives across the Department, with outside input as required. The plan was approved by Secretary Chertoff on June 7. As I execute this plan, I will be working closely with the Department of Justice, Department of Defense, and other members of the Information Sharing Environment to ensure coordination and integration of effort.

There are three guiding principles for our plan:

- First, build on existing DHS and Federal Agency presence and established relationships with state and local authorities. For example, an Immigration & Customs Enforcement, or ICE agent, is currently embedded in the Upstate New York Regional Intelligence Center (UNYRIC) in Albany, NY; eleven ICE agents are already an integral part of the Arizona Counterterrorism Intelligence Center (ACTIC) in Phoenix, AZ. These relationships serve both parties well and I neither want to duplicate effort nor inadvertently jeopardize work in progress.
- Second, recognize the particular needs and unique situation of each fusion center—one size does not fit all. Individual fusion centers were established to meet the individual needs of the jurisdiction. We need to develop a collaborative, synergistic relationship with each one—one at a time—that benefits all parties concerned.
- Finally, we must move forward with mutual, realistic expectations. Too often, in the past, we have raised expectations beyond the point where we can deliver. There is a clear and attractive value proposition, for us and for the local jurisdictions, but I want to manage their and our own expectations. I want to promise only what we can deliver and expect only that which each center can provide to us.

By following these principles I have no doubt that we will all receive value from the resources expended. For our part, I know we will benefit from an improved flow of information from the centers, and we can capitalize analytically on non-traditional information, which will ultimately result in improved situational awareness at the Federal level. We also will benefit from close and continuous consultation on state and local issues so that we can be more attuned to their needs and constraints.

State and local authorities will, themselves, benefit from an improved information flow from DHS and through us from the National Intelligence Community. I expect, too, that the centers will make good use of the on-site intelligence expertise we will extend to them. The result cannot be other than improved intelligence analysis and production capabilities at the state and local level. In addition, these jurisdictions will be able to glean greater insight into Federal priorities and have a voice on national threat issues. Finally, they will have a clearly defined entry point into the Department of Homeland Security for intelligence issues.

Already, I have officers to support Los Angeles and New York City as well as Louisiana, Georgia, and Maryland. I sense a profitable return on this investment, based on conversations that I have had with officials in Los Angeles and New York City, all of whom are positive about these arrangements. In accordance with our second guiding principle, tailoring our efforts to meet the specific needs of an individual fusion center is the key to success. The process begins with an in-depth assessment of each center by a team from my office. The team spends a day or more, as required, at the center to understand its particular mission, information sources, analytic capacity, information technology infrastructure, security environment, and existing partnerships with other local jurisdictions and other federal agencies. My team also tries to meet with local FBI officials to discuss our plan and surface any issues of common concern. The assessment results in a set of recommendations to me concerning the staffing and services we can provide which will deliver value to both DHS and the center. This information, along with additional information provided by DOJ, will inform a comprehensive assessment of Fusion center capabilities to be completed as part of the implementation of the Information Sharing Environment.

To date, we have conducted assessments at a dozen fusion centers. These include:

- Columbus, OH—the Strategic Analysis and Information Center (SAIC)
- Phoenix, AZ—the Arizona Counter Terrorism and Intelligence Center (ACTIC)
- North Central TX—the North Central Texas Operations, Fusion and Communications Center
- Albany, NY—the Upstate New York Regional Intelligence Center (UNYRIC)
- Richmond, VA—the Virginia State Police, Bureau of Criminal Intelligence Fusion Center
- Springfield, IL—the Statewide Terrorism Intelligence Center (STIC)
- Tallahassee, FL—the Florida Fusion Center
- San Diego, CA—the Law Enforcement Coordination Center (LECC)
- Los Angeles, CA—the Joint Regional Intelligence Center (JRIC)

- San Francisco, CA-the Northern California Regional Terrorism Threat Analysis Center (NC-RTTAC)
- Sacramento, CA-the Sacramento Regional Terrorism Threat Analysis Center (Sacramento RTTAC)
- Sacramento, CA-the State Terrorism Threat Analysis Center (STTAC)

Based on the results of these assessments I am planning to deploy intelligence officers during the first quarter of FY 2007 to Arizona, Texas, New York, Virginia, Illinois, Florida, and California. These states have expressed interest in our increased engagement and support. I intend to continue using a fully transparent assessment process to determine future site staffing and support needs. By the end of Fiscal Year 2007 my goal is to have officers embedded in up to 18 fusion centers.

It is my hope that DHS Intelligence can work with the states as both customers and collaborators in analytic efforts of mutual concern. Secure connectivity to the states is essential for this collaboration. I plan on deploying a collateral secret communications system everywhere I send an officer. Our collateral secret communications system to the states-the Homeland Security Data Network (HSDN)-is the analog of the Defense Department's Secret Internet Protocol Network. In the first instance, only my officers will have access, but I plan to expand access over time to state personnel. I intend, by the first Quarter of Fiscal Year 2007, to have HSDN installed everywhere I have an officer assigned to a fusion center.

In conclusion, I am moving aggressively to implement the plan that Secretary Chertoff approved on June 7, 2006. We are changing, in fundamental ways, our interactions with our non-federal partners-the states and local jurisdictions. Creating and nurturing this information sharing network of fusion centers is one of the most important initiatives that we can take to protect this country from the scourge of terrorist attack. Each time I meet with the men and women who have established and who operate these centers, I am impressed by their professionalism, their ability, their ideas, and their accomplishments. Their enthusiasm is gratifying. Mr. Chairman, thank you again for giving me the opportunity to speak with you and the members of the Committee. I welcome your questions.

Mr. SIMMONS. Thank you, Mr. Allen.

One of the witnesses, who has submitted testimony that I hope we will hear from a little later, said the following in his testimony; "I believe our fusion center is on the cusp of being the ultimate authority on the threats posed within our State by homegrown terrorists and other criminals, as well as the center that can best inform us on the response and mitigation of national disasters. That is how it should be. We should know more about our State than anyone else."

Do you concur in that statement?

Mr. ALLEN. I believe that they are going to help keep this country extraordinarily safe in the future because I believe the first responders, whether they be policemen or firemen or emergency workers of every sort, they know their county, they know their cities, they know their State. They also know anomalies. And when they identify anomalies that could pose threats, I think we should be there helping them understand and report anomalies back to the Federal government.

One of the things that we want to help and work with people like Ken Bouche, who represents Illinois State Police, is the fact that there is a lot of suspicious activity reporting. We need to learn how to read that, and we can only do that I think by jointly bringing our resources together, our knowledge, and also local knowledge of patterns and elements of behavior that are not always readily understood.

When I talk to New York City, when I talk to Dave Cohen, it is clear that they have knowledge that we don't have. When I talk to Chief Bratton out in Los Angeles, it is clear—and to his senior people, it is clear that they see anomalies that we don't see. And it is important that we work this mutually obviously with law en-

forcement at the Federal level, including the FBI. I think we can get this done.

Mr. SIMMONS. Let me read the next sentence, then, in his testimony.

“But Mr. Chairman, what I am less sure about is that the national effort is making the best use of this homegrown information.” The national effort is making the best use of this homegrown information. And I know this is not something that is new to us, but it is once again the question of the information presumably that is being shared up the system being systematically incorporated into the national level organization.

Mr. ALLEN. I am very sympathetic with that statement. I think that we collectively—not just Homeland Security, but we collectively, as a Federal Government, must take better advantage of the information collected and sifted at the local level. We see fusion centers, as they are now forming, putting out advisories, sending us information at an official use level. Some of that information contains unique data that are helpful not only to us as we do intelligence assessment of potential threats, but also obviously a value to the Federal Bureau of Investigation. I believe that the writer of that is correct, we must significantly improve that.

One of the things that we are doing is, of course, we are trying to define, in working both with the National Counterterrorism Center—Dr. Morris here in particular—trying to get a better handle on how to employ and utilize suspicious activity reporting. I think a lot of that information that passes flowed upward, and the Federal Government has not made the best use of it. I am very pleased that under Scott Redd and under Ambassador McNamara, who is an old friend of mine, that we are going to do more of this. And by putting my officers there with the local officers, I think we are going to—I think we are going to do a lot of good things. When we have had the Mumbai bombings, which occurred about the 10th of July, having an officer in Los Angeles was a great thing. He did wonders that day to just talk to everybody at every level as to what that might mean. Having officers out in New York and with Los Angeles during the recent foiled airliner event was a good thing because we had that personal interaction right up through the most senior level, say, of Los Angeles city government.

Mr. SIMMONS. I think it is fair to remark that the system of passing information up through the chain of command has never been perfect in the past in the previous models that we have used. My recollection is that prior to 9/11 certain FBI officers were reporting strange behaviors, individuals trying to learn how to fly airplanes but not to land or take off, and that that was a strange and unusual—an anomaly if you will, but nonetheless, the folks at the Washington level did not see any harm in it at the time, or at least that is my recollection.

Is there some mechanism whereby the national level folks can judge the value or provide a feedback loop if something is in fact useful or is there a mechanism for providing a feedback loop that essentially says we are not sure why you think this is significant? In other words, is this process virtual or is it more like a traditional stovepipe?

Mr. ALLEN. It is changing, because I think it used to flow up and was not necessarily acted upon. As we recall the Moussaoui case, that was where he was learning to steer airplanes but not take off and land, and it was an anomaly that we didn't understand at the time. Today, when we have people buying large quantities of cell phones, as you know, that can also trigger a great deal of interest.

I find the alertness at the State level—and not every State has fusion centers as yet, but right across the country we see information flowing up that will make us a lot more attentive to be able to interpret and provide guidance back. We are doing it on a daily basis, we need to do more of it. As I expand outward to these other States, these are States that are really important like Texas and Virginia and others, New York, Arizona, the State of Illinois, which is Ken Bouche's State, Florida, I think we are going to see a lot better interaction, because what we need to do is more or less get on secure chat or official use chat and get back and forth, either as you say virtually or on the telephone. And by having officers embedded, we can facilitate that very well.

Mr. SIMMONS. I thank you. Within a State or a local fusion center, how do you differentiate the roles between the fusion center teams and let's say the FBI field office, the JTTFs, the Joint Terrorism Task Forces, and the Field Intelligence Groups, for the FIGS? I have received briefings on the different organizations. I realize that some of our fusion centers are FBI field station based, others are based on other models. And I know that you have testified that one size doesn't fit all and that we have to be very careful in standardizing at a Federal level because of the differences between the States, but as a practical matter, as we move forward, how do we differentiate between some of these different entities? And is a system or a method of making them more systematic, is that called for?

Some have actually said to me, well, we don't need the Department of Homeland Security to be involved in the fusion centers, the FBI's field intelligence groups are pretty much doing the job already. How would you respond to that kind of a comment?

Mr. ALLEN. I will respond by saying that we will go where State fusion centers welcome us and want our support and our intelligence analytic capabilities as well as our ability to harvest information, say, from DHS's operating components that may be of value at the State level.

I believe that is an excellent question. I believe that JTTFs have collocated about 25 percent of the fusion centers across the country that now exist, and there are about 42 fusion centers, give or take a fusion center. About 75 percent of the JTTFs are not collocated. They may be collocated with State police, emergency operation centers, or they may be collocated with Homeland Security advisers. So I believe that within this broad landscape there is a great deal of significant work we can do.

Our community is a bit broader in some respects because we are looking at threats to the homeland at large, including border security, CBRN. We are looking at the critical infrastructures, things where we have unique insights that other people do not have. Between infrastructure protection of Bob Stephan and my own analyst, we can bring together all the best brains of this country that

work on infrastructure protection and help assess threats to infrastructure at the fusion center level.

There is an extraordinary vital role played by the JTTFs and the FIGS for counterterrorism and for law enforcement, but I believe there is a broader role that DHS intelligence analysis can play. We are happy to do that where the States welcome us.

Mr. SIMMONS. You mention the States welcome you. Of the 38 that have fusion centers, has any other State or entity said, thanks, but no thanks, we are doing fine the way we are?

Mr. ALLEN. I don't know. In virtually every case, everyone where we have done assessments, all those people have been very welcome to us. There are a couple of places where they are still studying and evaluating whether they wish to have DHS embed officers, and that is fine, it is up to them.

Mr. SIMMONS. I recently returned back from a trip to Toronto, where we were studying radicalization; it was a very interesting phenomenon that we discovered up in Toronto involving over a dozen—or allegations involving over a dozen Muslim youths who were engaged in a plot to kill the Canadian Prime Minister and blow up some key buildings. There was very good cooperation and coordination up there between the Royal Canadian Mounted Police and the Intelligence Service, and I am told cooperation with our own folks down here in the Continental United States. Has Canada, by any chance, employed the same model or inquired about the model we are using, let's say, in Vancouver, Quebec or Toronto, to create fusion centers at their level, and if so, have we cooperated in that effort?

Mr. ALLEN. I have met with the Canadian Border Security Agency head of intelligence, and we have an exchange coming up shortly. I am on my way to Canada I believe on the 26th and 27th of this month—27th and 28th of this month to meet with Canadian officials. We have also met with their senior assessment people.

We have explained what we are doing here with our State fusion centers. We certainly will provide them with any data and any information that they think may be helpful. I have not yet had a formal exchange on that. Most of our exchanges have been and will be on border issues and on radicalization issues, what is the phenomenon of radicalization. The Canadians are looking at that quite hard, as well as other countries like the Danes, as you probably could imagine, and the Dutch.

Mr. SIMMONS. Thank you. Is there any shortage of appropriate personnel to implement your proposed plan? You talked about sending people down to half a dozen facilities. I assume that is a 2 to 3-year assignment. Do you have the resources and the assets to accomplish that task and still do your own business here in Washington, D.C.?

Mr. ALLEN. I think that is a very good question, sir. We obviously have sufficient resources to get us through 2007. In fiscal year 2008 through 2012 we will have to look at our resource requirements, because this is going to take a good number of our people that we are going to deploy, not just TDY, but PCS, Permanent Change of Station, and pay for their way out there to get settled with their families for a period of 2 or 3 years, with probably an option to stay even longer.

We also have an intelligence campaign plan dealing, as you know, Mr. Chairman, dealing with the border. I am meeting with Commissioner Basham to decide how to deploy some intelligence officers to work border security issues, which will be another drain on my staff.

Right now we are okay. We will take another look with the Secretary and his Chief Financial Officer for fiscal year 2008 through 2012.

Mr. SIMMONS. As you look at this issue of the few fusion centers and all of the challenges and difficulties that we are dealing with, not the least of which is we are developing a new model to deal with a new problem, what are the biggest hurdles that you are facing? And in particular, how can this committee or this Congress assist in overcoming those hurdles?

Mr. ALLEN. I think our biggest hurdles of course are where we have got to be more responsive for the State fusion centers and their needs. One, they need crypto equipment. We are supplying a lot of that now, working with, obviously, the grants in training as required to pay for such things, get them cryptographic equipment and data processing capabilities. We have to—one of our biggest challenges is to train not only my own people that need training as all source analysts, but reach out and offer courses to State and local governments. We are doing that. We have had some States participate. New York, Maryland I know has sent officers up to take training courses on what is analysis, how to do writing, how to do briefing. I believe the information technology challenges are hard to get the communications right, get it flowing down.

It is also making sure that we are communicating clearly to the fusion centers. There has been misunderstandings as to what we can do to support them, to most of all look on them as customers where we can support them, not go down and try to dictate a particular way to manage or assess information.

I think we are defining a lot of these areas as we go. The main thing, of course, is just getting this done rapidly. Deploying people rapidly to the field is not a forte of the Federal Government, and we need to improve on the speed with which we get officers out to the places where they actually really want us. New Jersey wants a full—they are moving to one fusion center there in Trenton. They want us to have an officer up there, and we are trying to get an officer up there as soon as we can by the end of this year.

Mr. SIMMONS. I note for the record that OPM, which is charged with doing clearances for the Defense Department, is so backed up that they have had to suspend doing their 5-year updates and some of the other clearances. So I would imagine that if you are not hiring people who have prior clearances, that would be another factor in slowing the process.

Mr. ALLEN. That is a good question, a good statement, because one of the things we are hiring is we are hiring people right out of universities, and they have no clearances. And trying to get it through the OPM system is a very costly as well as a very slow process. We find that other agencies which have more accepted services, agencies like the Central Intelligence Agency, they plucked off a University of Texas officer the other day, and they also took one of our finest briefers the other day. So trying to

quickly compete and offer the kind of career development that is needed in Homeland Security intelligence is a challenge because we don't move as fast as we could on clearances.

Commissioner—Assistant Secretary Myers, who heads ICE, the other day was bemoaning it took 18 months to 24 months to get people cleared, and she really believes we need to find ways to expedite clearances.

In my view, clearing young people coming in off campus campuses ought to be the easiest way to clear people. They don't have a long track record. We ought to be able to clear them a lot faster than we do.

Mr. SIMMONS. Well, I concur in that. And I just want to again extend our apologies for the delays to getting you to the witness table this afternoon. We have good days and bad days sometimes, and today apparently was one of the worst, and of course following the votes everybody headed for the airport. So I very much appreciate all of the talent and ability and experience that you are bringing to this job. I very much appreciate the fact that you have dedicated yourself to solve a problem that we have not had in the past in this country, which is new and different and challenging. And thank you very much for your service and for your testimony here today.

Mr. ALLEN. Thank you, Mr. Chairman.

Mr. SIMMONS. The Chair will now call the second panel.

Our first witness on the second panel will be Colonel Ken Bouche, who is Deputy Director of the Information and Technology Command, Illinois State Police. Colonel Bouche also serves as Chair of the U.S. Department of Justice Global Justice Information Sharing Initiative, Global Advisory Committee. He will be able to testify about national initiatives, as well as the work that Illinois is doing to integrate its State terrorism intelligence center with other statewide and national efforts.

We also have with us today Ms. Amy Whitmore—and I will ask all of the witnesses to come to the table—who is an Analyst Supervisor assigned to the Virginia State Police's Virginia Fusion Center and manages all analytical assets for the center. She was one of three personnel initially assigned to create a fusion center for Virginia and played an integral role in establishing the VFC and its policies and procedures. She will be able to testify about the creation and the operation of the center, as well as help provide an analyst viewpoint on what kind of information is most helpful and what kind of analytical support is needed.

Rounding out the panel is Mr. Richard L. Canas, who is Director of the New Jersey Office of Homeland Security and Preparedness, which was created this last March. He has spent 34 years in law enforcement, intelligence, counterterrorism and policy making, and served as director of the nonprofit Concurrent Technologies Corporation, where his main focus was on developing open source information and technology to support the country's emergency response community.

You have all heard the remarks that have been made by the previous witness, you have heard some of my questions on the subject, so I think you have a good sense of how we function here. And with

the exception of the absence of all of my colleagues, I welcome you here to this hearing and look forward to hearing your testimony.

We have the written testimony in our briefing books available to us, and so I would suggest that you not read it into the record, that if you can highlight it over a period of about 5 minutes each, that will probably work very well. And we will run a little light system just as a reminder, if that is agreeable.

Why don't we start with the colonel, Colonel Bouche.

#### **STATEMENT OF COLONEL KENNETH BOUCHE**

Mr. BOUCHE. Thank you, Chairman Simmons.

I sincerely appreciate the opportunity to be here today to discuss State and local law enforcement issues in relation to Homeland Security. I have provided the committee with a written testimony and request that it be included in the record.

Mr. SIMMONS. Without objection.

Mr. BOUCHE. As you said, I am a Colonel with the Illinois State Police, have been for 23 years. More importantly in my role as the Chairman of Global and the past chairman of the Criminal Intelligence Coordinating Council in the Global Intelligence Working Group, I have been fortunate to actively participate in ongoing discussions regarding intelligence reform, and I have been privy to an intimate view of our national technological strengths and deficiencies in the area of intelligence sharing.

Over the past year, Global has worked closely with the Office of the Program Manager and members of the Information Sharing Council as they work to design and implement the Information Sharing Environment. While we appreciate the inclusions to date, the State and local officials must become equal partners as we move forward in establishing the ISE and as these efforts continue.

In regard to fusion centers, it was State and local officials who initially recognized the importance of local intelligence centers and brought about the collaboration and the expertise necessary to develop fusion center guidelines. I am proud of the fact that there is recognition at the Federal level of the important role of State and major urban fusion centers, and that they are to be incorporated into the ISE.

I don't want to—this is where I get off course a little bit, and I don't want you to get me wrong, I am probably the biggest proponent of fusion centers, and I am here to say that establishing them in every State is not enough. The role of fusion centers, and for that matter the role of State and tribal authorities in our Nation's effort to combat terrorism has not been clearly defined. It dismays me that 5 years after September 11th more progress has not been achieved as it relates to the sharing of information needed to prevent and respond to attacks and possible threats against our community. Our lack of success is largely because a strategy has not yet been defined.

Of course as is understood that any strategy will include the prevention of attacks, the deterrence of terrorism and the capacity to both respond and recover if attacked, but still we do not have a clear picture of how that will occur. Our Federal, State and local soldiers on the war on terror do not understand how they fit into

the Nation's strategy. They have not been given a road map to follow because a road map does not exist.

We are operating in a fragmented environment, rarely coordinated and often pitted against each other. There is over 800,000 law enforcement officers and over 19,000 police agencies in this country ready to assist with domestic security. Important intelligence information that may forewarn of a future attack is collected by local and State government officials during routine crime control activities and by interacting with our citizens.

The critical importance of intelligence for front line police officers cannot be overstated. They are a critical component of our Nation's security capacity as both first responders and first preventers. Consider this, over the past couple of years many things have happened that have really highlighted our capacity to be first preventers. In a narcotics investigation they revealed that a Canadian based organization supplying precursor chemicals to Mexican methamphetamine producers was in fact a Hezbollah sport cell. A local police detective in California investigating a gas station robbery uncovered a homegrown jihadist cell planning a series of attacks. A State police investigation into cigarette smuggling uncovered hundreds of thousands of dollars in wire transfers to persons living in the Kashmir region of Pakistan. These are just a few examples of how cops on the street are interacting with citizens and creating a more secure domestic environment.

The program manager has been working closely with DOJ, DHS and the FBI to design a framework for information sharing. This represents a critical step forward, and we urge that it be implemented rapidly, and the coordination that led to this development continue. But even with this framework, there is still a need for an inclusive comprehensive national strategy that will define our national goals, that will solve impediments to information sharing, such as creating a common approach to our technological infrastructure. The pipes that supply information and the systems that our law enforcement agencies have to rely on are redundant and often conflicting.

We need to develop appropriate rules and markings for sensitive unclassified information, as a recent GAO report showed that there is far too many markings for unclassified material, making it very difficult to bring into fusion centers and then further disseminate. Developing an information classification system that works in our new domestic security environment, because clearly our Cold War approach is not working—you said it yourself, sir. We can't clear the people who need to be cleared to get information.

Mr. BOUCHE. So even when our fusion centers get information and our police chiefs get information, they can't pass it on to those commanders and patrol officers and detectives that need to use it because they don't have the ability, one, to declassify it; it can't be done rapidly; terror lines simply aren't working; and the system is designed to keep information secret, not to put it forward.

I see I am out of time; and, in conclusion, in order for a strategy to be successful, we have to create a culture of information sharing, a culture that demands participation, quickly corrects those who fail to appropriately share. In order for our Nation to be successful, bridges must be built among local, State and Federal intelligence

and law enforcement and homeland security agencies. These bridges must lead to a greater understanding of each others' needs and responsibilities and capabilities.

Homeland security partners at all levels must recognize that terrorism is criminal activity. It is funded through criminal activity, and it will best be prevented in an all-crimes approach. In a domestic environment, police are your best weapons.

Mr. Chairman, I thank you for giving me the opportunity to speak today; and I hope my comments will be useful in your future deliberations.

Mr. SIMMONS. Thank you very much for that testimony; and I agree with virtually everything you said, so this is going to be a lovefest.

[The statement of Mr. Bouche follows:]

PREPARED STATEMENT OF COLONEL KENNETH BOUCHE

Chairman Simmons, Ranking Member Lofgren, Members of the Subcommittee, I sincerely appreciate the opportunity to appear before you today to discuss local and state law enforcement's involvement with nationwide implementation of fusion centers and related issues impacting local, state, and tribal law enforcement.

I have served with the Illinois State Police for over 22 years in a variety of roles ranging from a trooper and a supervisor to a commander with patrol and investigative assignments. Presently, I serve as the Deputy Director of the Information and Technology Command, with responsibility for leading the technology, information, research, criminal history, and strategic management functions of the Illinois State Police. In this capacity and as the chair of the U.S. Department of Justice's (DOJ) Global Justice Information Sharing Initiative (Global), and past chair of both the Global Intelligence Working Group and the National Criminal Intelligence Coordinating Council (CICC), I have been fortunate to actively participate in the ongoing discussion regarding intelligence reform and I have been privy to an intimate view of our national technological strengths and deficiencies in the area of justice information sharing.

Global, a Federal Advisory Committee to U. S. Attorney General Alberto Gonzales, supported by the Bureau of Justice Assistance, Office of Justice Programs, is recognized nationwide as a "group of groups" whose membership represents the entire justice community. When implementing the National Information Sharing Environment, of which fusion centers are an integral part, it is crucial that the federal government leverage the capabilities and systems that local, state, and tribal law enforcement agencies have available to support our nation's information sharing and antiterrorism efforts. Global and all of its related associations have been working very patiently over the past four years to support, encourage, and recommend positive change in the information sharing environment, while trying to build partnerships with the federal government.

Many substantive products, tools, and resources have been produced by Global and its partners to improve information sharing across the country. Examples of these products include:

The National Criminal Intelligence Sharing Plan (NCISP)-The NCISP represents law enforcement's commitment to take it upon itself to ensure that the dots are connected, be it in crime or terrorism. The Plan supports collaboration and fosters an environment in which all levels of law enforcement can work together to improve the safety of the nation. The Plan is the outcome of an unprecedented effort by local, state, tribal, and federal law enforcement officials at all levels, with the strong support of the DOJ, to strengthen the nation's security through better intelligence analysis and sharing. The Global Justice XML Data Model (GJXDM) and the National Information Exchange Model (NIEM)-The GJXDM is a data exchange standard which makes it possible for courts to talk to law enforcement, to talk to probation/parole, and to talk to victims' advocates, all without having to build new systems and negotiate new business rules. NIEM will extend the information sharing capability in GJXDM to other integral justice-related partners like emergency management, immigration, and intelligence. NIEM not only represents the best-and-brightest technical solutions to information sharing challenges but also a solid partnership between DOJ and the U.S. Department of Homeland Security (DHS).

The Fusion Center Guidelines—The Guidelines were developed collaboratively between DOJ and DHS. The document provides a comprehensive set of guidelines to utilize when establishing and operating a fusion center. The guidelines include integration of law enforcement, public safety, and the private sector into fusion centers and utilize the intelligence and fusion processes to develop and exchange information and intelligence among all applicable entities.

Even with these considerable accomplishments, there are many critical issues that still require resolution, especially if fusion centers and the intelligence-led policing effort are to be successful. Issues such as development of a common national policy for local, state, and federal users of sensitive but unclassified (SBU) information, security clearances and over classification of information, identification of a primary federal agency responsible for receipt and dissemination of terrorism-related information to and from local and state fusion centers, and leveraging existing systems and networks instead of creating new, duplicative capabilities. It truly dismays me to think that five years after the September 11th attacks, we are still not where we should be regarding the exchange of the information needed to prevent and respond to attacks and possible threats against our communities. We can no longer comfort ourselves with the notion that these attacks will occur on some distant foreign soil. They will undoubtedly occur here in the U.S. quite possibly in Chicago, Peoria, Springfield, or any of our Nation's communities.

Fusion centers are a key component for ensuring the flow of threat- and crime-related information among local, state, regional, and federal partners. The principal role of the fusion center is to compile, analyze, and disseminate criminal and terrorist information and intelligence, as well as other information to support efforts to anticipate, identify, prevent, and/or monitor criminal and terrorist activity. Fusion centers provide a mechanism through which law enforcement, public safety, and private sector partners can come together with a common purpose and improve the ability to safeguard our homeland and prevent criminal activity.

In order for local and state fusion centers to effectively identify emerging threats and trends, it is important for the federal government to identify and communicate the national threat status to local, state, and tribal agencies. Local, state, and tribal agencies and fusion centers desire clearly defined intelligence and information requirements from the federal government that prioritize and guide planning, collection, analysis, and dissemination efforts.

Currently, local, state, and tribal agencies and fusion centers forward information concerning suspicious incidents to multiple federal agencies with seemingly conflicting or duplicate missions. For example, should terrorism-related information be sent to the Federal Bureau of Investigation's (FBI) Joint Terrorism Task Force, the FBI's Field Intelligence Group, the National Counterterrorism Center (NCTC) or the U.S. Department of Homeland Security's Headquarters? The federal government must, in close collaboration with local and state agencies, support the development of a national strategy for local, state, and tribal agencies and fusion centers to use when transmitting information to the federal government. The plan should clearly describe the flow of information—the "lanes in the road"—beginning at the local level, routing through the regional and/or state fusion center, and ending at the appropriate federal entity. Additionally, a single point of contact at the federal level should be identified for routing information that is received at the local and state level. Developing a plan to address the bi-directional sharing of information will assist with minimizing duplication and possible contradiction of information, while enabling relevant entities to maintain situational awareness.

A significant problem that local, state, and tribal agencies face is the lack of substantive information needed to prevent terrorism. Much of the needed intelligence information is locked away from those who need it in the field or on the scene because of outdated cold war mentalities regarding classification of intelligence information. Critical information must be unclassified and disseminated appropriately if it is to be of any use in preventing domestic terrorism. We must develop a common national policy for local, state, and federal users of SBU information. The policy should clearly define appropriate uses and dissemination protocols, while respecting originator authority and facilitating the broadest possible dissemination to those with a need to know, including our non-law enforcement public safety partners such as fire departments and public health officials. By sharing timely and appropriate intelligence information with the first responders, law enforcement will be better able to assess danger and respond more quickly, potentially saving and protecting many lives. The federal government must work towards a goal of declassifying information to the maximum extent possible.

The fact that some information needs to be classified is not disputed, however, the current process regarding the issuance and use of security clearances needs to

be revised. The present system is archaic and designed to keep information secret, and this system does not work in the current information sharing environment.

Additionally, federal security clearances are not recognized between agencies, and the process for local, state, and tribal officials to receive a clearance is cumbersome and frequently takes multiple months or years to complete. Having a trusted sharing environment for communicating information and intelligence is a priority issue. There are a number of national systems and networks that local, state, and tribal law enforcement agencies utilize for information sharing efforts, including the Regional Information Sharing Systems (RISS), Law Enforcement Online (LEO), the Homeland Security Information System (HSIN), and Nlets—The International Justice and Public Safety Information Sharing Network. Currently, users must sign on to multiple systems in order to access information. Rather than develop new systems, it is recommended that the existing networks and systems be modified and augmented based on continuing information needs. The federal government should leverage existing information sharing systems and expand intelligence sharing by executing interoperability between operating systems at the local, state, tribal, regional, and federal levels using a federated identification methodology. Local, state, and tribal users should be able to access all pertinent information from disparate systems with a single sign-on, based on the user's classification level and need to know.

There are over 800,000 law enforcement officers and over 19,000 police agencies in this country to assist in domestic security. Important intelligence/information that may forewarn of a future attack is collected by local and state government personnel through crime control and other routine activities and by people living and working in our local communities. The critical importance of intelligence for front-line police officers cannot be overstated. Very real examples of the impact of law enforcement's important role in the intelligence collection and sharing process have been experienced by police officers across the country. Without the benefit of intelligence, local and state law enforcement cannot be expected to be active partners in protecting our communities from terrorism. In Oklahoma, a vigilant state trooper was the one who stopped and arrested Timothy McVeigh after the Oklahoma City bombing, for charges unrelated to the terrorist act. In an incident in Maryland, the lack of shared intelligence information prevented a state trooper from holding an individual who two days later became one of the 19 hijackers on September 11, 2001.

In order to succeed, bridges must be built among local, state, and federal intelligence agencies and homeland security information consumers. Federal agencies must declassify information at the source with a "need to know" standard for dissemination. Local and state agencies that could contribute toward prevention strategies should be empowered with the information they need to do their job. Homeland security partners at all levels must recognize that terrorism is a criminal activity, is funded through criminal activity, and will be best prevented in an "all crimes" approach. This is not a federal war against terror, nor is it a war in some foreign land. This is the fundamental protection of our citizens from a domestic act of terrorism. If we are to continue to do our best in the prevention of these attacks, we must work as one united force.

It appears that we have the capacity to do the job, however; we need clear policies and processes to assist with implementing our national information sharing initiatives. I feel there should be recognition of the value that local, state, and tribal officials can bring to the table—not an assumption that this is a federal problem or that the threat will be mitigated by the federal government. This administration has a limited time to accomplish its goals and we have much work to do. Local and state officials have serious issues to resolve and want to be active, ongoing partners and participants with the federal government in the process. Mr. Chairman, I thank you and your colleagues for giving me the opportunity to speak to you today and I hope my comments have been of some use to you in your deliberations.

Mr. SIMMONS. What we will do is we will hear from our two other witnesses and then I will get into questions. So our next witness will be Ms. Whitmore.

What you want to do is push the red button and speak fairly closely to the microphone. Pull it over. Don't be shy.

#### STATEMENT OF AMY WHITMORE

Ms. WHITMORE. Good afternoon. My name is Amy Whitmore. As you stated, I am an analyst supervisor with the Virginia State Po-

lice, and I am responsible for coordinating the activities of analysts assigned to the Virginia Fusion Center. Thank you for the opportunity to testify today in regard to the State and local fusion centers and the role of DHS. I look forward to answering any questions posed by you at the conclusion of this testimony.

I have submitted written testimony and request that it be included in the record.

Mr. SIMMONS. Without objection, it will be included.

Ms. WHITMORE. The Virginia Fusion Center was established in February, 2005, to fuse together key counterterrorism resources from local, State and Federal agencies as well as private industry to facilitate information collection and sharing in order to better defend the Commonwealth of Virginia against terrorist threats and attacks.

The Virginia Fusion Center is a cooperative effort between the Virginia State Police and Virginia Department of Emergency Management, with personnel from both agencies staffing the center on a 24-hour basis. There are also currently representatives from the Virginia National Guard and FBI, with future plans to staff representatives from the Virginia Department of Fire Programs and DHS.

In order to meet this mission, the Virginia Fusion Center has developed new partnerships with private industry and representatives of agencies having a mission-critical role in homeland security, such as the health and transportation sectors. At the same time, we have strengthened existing relationships with law enforcement and military. These partnerships provide the foundation for the Virginia Fusion Center, but this foundation will weaken and eventually collapse without the critical exchange of information to all appropriate partners in a timely manner. This is the utmost and critical need for the Virginia Fusion Center and involves several facets that will be discussed.

Currently, the Virginia Fusion Center must monitor several Federal and regional systems to gather and disseminate critical homeland security information throughout the day. Often, this limits the operational effectiveness of the Center by having personnel duplicate efforts and view oftentimes redundant information. Thus, it is imperative that one uniform Federal system be adopted that allows all partners access based on appropriate clearances and provides real time information that is both classified and unclassified.

The current systems are lacking time-sensitive tactical intelligence that is needed for management at all levels to effectively direct resources where they might be needed to address a potential threat. Also, a majority of State and local agencies have a limited amount of personnel that possess a Federal security clearance, making it difficult to forward classified information. In our experience, information intelligence is still being overclassified.

In addition to having one Federal system with timely information, it would also be beneficial to have one Federal conduit from which to report and receive information. It is often difficult for State and local centers to determine which Federal agencies should be notified and to whom to direct that information within that agency. This would eliminate any guesswork in forwarding information and would ultimately benefit the information-sharing proc-

ess as it would alleviate duplicate efforts and redundancy of information reported by multiple agencies.

The Virginia Fusion Center has also encountered problems with the DHS policy to forward intelligence and information only to the State's Homeland Security Advisor, who does not have direct involvement with the Virginia Fusion Center and is not responsible for information sharing with other agencies. While the Homeland Security Advisor certainly should be provided with such information, it is critical that the Virginia Fusion Center as well as other of local and State centers directly receive this information in a timely manner in order to ensure that appropriate actions are taken to include the timely dissemination of information.

Lastly, the Virginia Fusion Center's unique structure has made it difficult to obtain security clearances that are recognized by various Federal agencies for all personnel assigned to the Center. Depending on the employing agency, personnel obtain clearances through the FBI, DHS or DOD. Since these clearances are obtained through several different agencies, additional steps must be taken to ensure that each clearance is recognized by the other Federal agencies.

DHS has also certified our secure conference room as an open storage of classified information, not to exceed the Secret level, but the Department of Justice does not recognize the certification. These issues present major challenges, as operational effectiveness can be compromised if all personnel and facilities are not consistently cleared through the same process.

While I have addressed the needs of the Virginia Fusion Center to ensure its operational effectiveness as it relates to Federal agencies, it should be noted that we have been working with DHS to better the information-sharing process. The Virginia Fusion Center has been involved in a pilot program aimed at information sharing at the State and local levels. However, the system is still one of many portals that require monitoring.

DHS is also in the process of providing the Homeland Secure Data Network for the Virginia Fusion Center, but this cannot currently be accessed by Center personnel.

While these efforts are helpful and a step in the right direction, they do not remedy the problems addressed today. It is crucial that State and local centers be provided with real-time information that can be disseminated to their partners. Only when all agencies with mission-critical roles in homeland security receive timely information will we be able to effectively disrupt and prevent terrorist attacks from occurring in the U.S.

Thank you for the opportunity to provide input in this incredibly important process.

Mr. SIMMONS. Thank you very much.

[The statement of Ms. Whitmore follows:]

PREPARED STATEMENT OF AMY WHITMORE

Good morning, my name is Amy Whitmore. I am an Analyst Supervisor with the Virginia State Police and am responsible for coordinating the activities of the analysts assigned to the Virginia Fusion Center. Thank you for the opportunity to testify today regarding State and Local Fusion Centers and the role of DHS. I look forward to answering any questions posed by the Members of this Committee at the conclusion of this testimony.

The Virginia Fusion Center was established in February 2005 to fuse together key counter-terrorism resources from local, state, and federal agencies as well as private industry in a secure, centralized location, to facilitate information collection and sharing, in order to better defend the Commonwealth of Virginia against terrorist threats and/or attack. The Virginia Fusion Center is a cooperative effort between the Virginia State Police and Virginia Department of Emergency Management, with personnel from both agencies staffing the center on a 24 hour basis. There are also currently representatives from the Virginia National Guard and FBI, with future plans to staff full time representatives from the Virginia Department of Fire Programs and DHS.

In order to meet this mission, the Virginia Fusion Center has developed new partnerships with private industry and representatives of local, state, and federal government agencies having a mission critical role in homeland security, such as the health and transportation sectors. At the same time, we have strengthened existing relationships with law enforcement and military. These partnerships provide the foundation for the Virginia Fusion Center, but this foundation will weaken and eventually collapse without the critical exchange of information and intelligence to all appropriate partners in a timely manner. This is the utmost and critical need for the Virginia Fusion Center and involves several facets that will be discussed.

Currently, the Virginia Fusion Center must monitor on a daily basis several Federal and Regional Information Management Systems to gather and disseminate critical homeland security information and intelligence. These systems include the Homeland Security Information Network (HSIN), Law Enforcement Online (LEO), Federal Protective Services Secure Portal System, Joint Regional Information Exchange System (JRIES), Regional Information Sharing System (RISS), as well several other state and local systems. To ensure that all pertinent information and intelligence has been obtained, all of these systems must be monitored throughout the day, ultimately limiting the operational effectiveness of the center by having personnel duplicate efforts and view often times redundant information.

To effectively prevent and respond to terrorist related incidents as well as help our partners meet their homeland security missions, it is imperative that one uniform federal system be adopted that allows all partners access based on appropriate clearances and provides real time information that is both classified and unclassified. While the majority of the aforementioned systems provide excellent finished intelligence products, they are lacking time sensitive tactical information and intelligence that is needed for management at all levels to effectively direct resources where they might be needed to address a potential threat.

In addition to having one federal system with timely information, it would also be beneficial to have one federal conduit from which to report and receive information, as it is often difficult for state and local centers to determine which federal agency should be notified and to whom to direct that information within that agency. Having one federal point of contact would eliminate any guesswork in forwarding information. This would ultimately benefit the information sharing process, because it would alleviate duplicate efforts and redundancy of information reporting by multiple agencies. It would also eliminate unnecessary efforts by state and local agencies to share information when it is not needed by a certain federal agency.

The Virginia Fusion Center has also encountered problems with the DHS policy to forward intelligence and information only to the state's Homeland Security Advisor, who does not have direct involvement with the Virginia Fusion Center and is not responsible for information sharing with other agencies. While the Homeland Security Advisor certainly should be provided with such information, it is critical that the Virginia Fusion Center and other local and state centers directly receive this information in a timely manner in order to ensure that appropriate actions are taken to include timely dissemination of information to Virginia Fusion Center partners.

Lastly, the Virginia Fusion Center's unique structure has also made it difficult to obtain security clearances that are recognized by various federal agencies for all personnel assigned to the center. Virginia State Police personnel receive clearances through the FBI. Personnel with the Virginia Department of Emergency Management, who have successfully undergone full Virginia State Police background checks and can view Law Enforcement Sensitive material, are unable to obtain clearances through the FBI and must obtain security clearances through DHS instead. In addition, our National Guard representative obtains their clearance through the Department of Defense. Since these clearances are obtained through several different Federal Agencies, there are additional steps that must be taken to ensure that each clearance is recognized by the other federal agencies. The Department of Homeland Security has also certified the VFC Secure Conference Room as an open storage of classified information, not to exceed the Secret level, but the Department of Justice

does not recognize this certification. These issues present major challenges to the operation of the Virginia Fusion Center, as operational effectiveness can be compromised if all personnel and facilities are not consistently cleared through the same process. The majority of State and Local agencies also have a limited amount of personnel that possess a federal security clearance. This makes it difficult to forward classified information and intelligence to our partners that do not possess these clearances. Information and Intelligence is still being over classified.

While I have addressed the needs of the Virginia Fusion Center to ensure its operational effectiveness as it relates to DHS and federal agencies, it should also be noted that the Virginia Fusion Center has been working with DHS to better the information sharing process. The Virginia Fusion Center has been involved in a pilot program aimed at information sharing at the state and local levels; however, the pilot program is one of many portals that require monitoring and it is not anticipated that this portal will become the only system to monitor. DHS is also in the process of providing the Homeland Secure Data Network (HSDN) for the Virginia Fusion Center. However, as HSDN can only be accessed by DHS and DOD personnel at this time, the benefit of having such a system wherein Virginia Fusion Center personnel cannot obtain access is limited. While these efforts are helpful and a step in the right direction, they do not remedy the problems addressed today.

In order to prevent the next terrorist attack from happening on U.S. soil, it is crucial that state and local agencies be provided with real time information that can be disseminated to their partners. Only when all agencies with mission critical roles in homeland security receive timely information will the U.S. be able to effectively disrupt and prevent terrorist attacks in the U.S.

Thank you for this opportunity to provide input into this incredibly important process.

Mr. SIMMONS. Now we will hear from Richard Canas.

#### STATEMENT OF RICHARD L. CANAS

Mr. CANAS. Thank you very much, Chairman Simmons; and thank you for pronouncing my name correctly.

I have some short remarks, and I also request that my longer testimony be included in the record.

Mr. SIMMONS. Without objection.

Mr. CANAS. Thank you, Mr. Chairman.

It is my pleasure to appear before you this afternoon to discuss New Jersey's new State fusion center and some of the roles that we would suggest that the Department of Homeland Security play in relation to this new center.

Among other things, my office is responsible for intelligence and information sharing in my State. Clearly, the relationship of State fusion centers and the ways in which DHS can help foster and support them is paramount to our effectiveness.

The New Jersey Regional Operations and Intelligence Center, or ROIC, as we affectionately call it at home, is a collaboration that incorporates the three different phases of information fusion: law enforcement intelligence, public safety and private sector information. It is managed by the New Jersey State Police, which also happens to manage the State's Office of Emergency Management.

A new building housing the ROIC is just being completed at a cost of approximately \$28 million, which has been totally State funded.

Mr. Chairman, as you have already mentioned, I believe our fusion center is on the cusp of being the ultimate authority on the threats posed within our State by home-grown terrorists and other criminals. It will also serve as the center that can best inform us on the response to and mitigation of emergencies from all hazards. And that is how it should be. We should know more about New Jersey than anyone else.

But, Mr. Chairman, what I am less sure about is that the national effort is making the best use of this home-grown information.

DHS has visited the ROIC and offered to place a full-time representative there in the near future. In anticipation, my office has already detailed a full-time analyst to DHS's intelligence office; and the State Police has detailed a trooper to DHS's National Operations Center. We have invested in this cross-pollination because we believe that it is important that we understand each other's missions as we move forward in this information-sharing effort.

Currently, DHS and other Federal entities such as the three FBI Joint Terrorism Task Forces that affect New Jersey and other locally based Federal agencies provide my office and the ROIC with almost daily general information on external threats with only occasionally some specificity about New Jersey. There is some duplication, but, frankly, given the intelligence drought before 9/11, we are not complaining.

The communications links among us are excellent, and I could not think of how to better improve the inclusiveness Federal agencies have demonstrated in recent years. But there is a missing piece, something which is critical and something that only the Federal Government can provide. That is a national fusion center of local information.

Mr. Chairman, New Jersey synthesizes and analyzes its internal threat information through the ROIC by drawing from our myriad of municipalities and local all-crimes reporting. We need that local assessment to manage our homeland security program. But that is all we can do. We do not have the time or resources to regionalize this effort with neighboring States or to blend our efforts with national trends or patterns.

In many ways, New Jersey is a microcosm of the entire country, where homeland security effectiveness is viewed in terms of the lowest common denominator. We have 479 police departments, and as small as some are each needs to be recognized as a security expert within its area of responsibility.

We need an effort that pursues the entire Nation's intelligence for its local value, but we have yet to receive assurances that Washington is interested in systemizing the use of this local data. If that is the reason DHS plans to place representatives in our fusion centers, no one would welcome them more than New Jersey.

Home-grown terrorists will not always show up on Federal intelligence radar; and we must assume that these home-grown terrorists are plotting in neighborhoods, prisons and meeting halls across the country as we speak.

As New Jersey's ROIC shortly becomes one of about 40 fusion centers on line across the Nation, we still have many questions to answer regarding how all the information we will be generating will be fused nationally by whom and to what ends. In my view, this is still a national work in progress. I am excited by the prospects, but we still have much more to do on the State and national level to bring the promise of fusion centers and a national intelligence gathering system to fruition, a fruition that will better protect us from terrorist attacks such as the one we experienced on 9/11.

I thank you for your attention, and I would be happy to take any questions.

[The statement of Mr. Canas follows:]

PREPARED STATEMENT OF RICHARD L. CANAS

Thank you very much Chairman Simmons, Ranking Member Lofgren and members of the Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment.

My name is Richard Canas, and I'm the Director of New Jersey's Office of Homeland Security and Preparedness. It's my pleasure to appear before you this afternoon to discuss New Jersey's new state fusion center and some of the roles that we would suggest that the Department of Homeland Security play in relation to this new center.

To put things in context, however, I first want to outline the responsibilities of my office and discuss some of our key initiatives.

My office is just about six months old. In March, New Jersey Governor Jon Corzine signed Executive Order #5, creating the New Jersey Office of Homeland Security and Preparedness as a cabinet-level agency. Previously, the responsibilities of my office were spread among a number of agencies and a statutory task force. In that configuration, New Jersey made considerable progress in safeguarding its citizens against potential terrorist attacks, but there was no single person or agency responsible to coordinate all counter-terrorism and preparedness activities.

Executive Order #5 resolves that issue of authority. The Executive Order indicates that my office is responsible "to administer, coordinate, lead and supervise New Jersey's counter-terrorism and preparedness efforts."

We are charged with coordinating "emergency response efforts across all levels of government, law enforcement, emergency management, nonprofit organizations, other jurisdictions and the private sector, to protect the people of New Jersey."

The Executive Order also requires that we function as the Governor's clearinghouse for all legislation—state and federal—related to counter-terrorism and preparedness issues. As a result, as you can imagine, we regularly track the work of the House Homeland Security Committee, and its subcommittees.

In brief, my job is to bring all of New Jersey's homeland security efforts, at all levels, into a coordinated and unified whole. While doing this I am focusing on three watchwords: Inclusiveness, Regionalization and Transparency.

"Inclusiveness" means that all relevant agencies—state, federal, local and private sector—must have a seat at the table. As I will discuss, our fusion center, New Jersey's Regional Operations Intelligence Center, commonly called the ROIC (and pronounced "rock"), clearly will embody this principle.

"Regionalization" refers to concerns that overlap between and among municipalities and counties—even between New Jersey and our neighboring states. The ROIC, which already has "regional" in its name, will embody this principle as well. We aim to reflect the concerns of our 566 municipalities, 479 police departments, 21 counties and countless other first responder and other agencies that populate our disparate state.

My third watchword, "transparency" means—simply enough—that the people of New Jersey and you, our federal partners, must be able to understand what my office does. Our actions must be totally open, explainable to the average person and understood by everyone. Again, the ROIC will help us meet this objective with true two-way communication to and from our various partners and constituencies.

To sum up, with these watchwords, my office will serve as a place for single-stop shopping for counterterrorism information, intelligence and analysis. We also serve as the state's coordinating agency for emergency management functions. These roles carry a very diverse portfolio.

We have divided our office into two major branches: a Division of Operations and a Division of Preparedness. We work closely with the State Office of Emergency Management—which in our state falls under the New Jersey State Police. New Jersey is one of only two states nationwide in which the emergency management function is contained within a statewide law enforcement agency; the other is Michigan.

In this regard, the role of my office is—in short—to make sure the New Jersey Office of Emergency Management does its job properly, and has the appropriate resources it needs.

Since I took office we have been involved in a number of key issues. To name just a few, these include planning for hurricane preparedness, pandemic flu preparedness, fostering communications interoperability and plans for continuity of oper-

ations and continuity of government. We are also the central point—or State Administrative Agency—for New Jersey’s federal homeland security grant programs.

In this role, my office is distributing more than \$52 million in 2006 federal homeland security grants throughout New Jersey. This year, the federal government gave us good news and bad news: in effect, we are receiving a larger share of a smaller pie.

Funds for our Urban Area Security Initiative, or—UASI region—covering Jersey City, Newark and the counties of Bergen, Essex, Hudson, Morris, Passaic and Union, is up approximately 77 percent from the year before, to \$34.4 million dollars. Ours was the fifth highest UASI grant in the nation.

On the other hand, New Jersey is only receiving \$17.7 million in homeland security grant funds to be distributed statewide. This is a decrease of more than 52 percent from the year before.

New Jersey’s homeland security needs will always exceed the availability of funds. But it is very disappointing that the entire pot of federal funding to the states shrank by almost 30 percent this year. I certainly plan to work with you to reverse this federal trend.

As we approach the fifth anniversary of 9/11, I do not understand why some think we are safer now than just five years ago. I believe that we are better prepared—and federal funding has certainly helped us in that regard. But I also believe that the threats against us—though they may be more diffuse—have increased. We have been successful also because we are more vigilant, not because the enemy has stopped planning against us.

To hone in on today’s hearing, my office is also responsible for intelligence and information sharing in my state. Clearly, the relationship of state fusion centers and the ways in which DHS can help foster and support them is paramount to our effectiveness.

As I mentioned earlier, the New Jersey Regional Operations and Intelligence Center (ROIC) is a collaboration that incorporates the three different phases of information fusion—law enforcement intelligence, public safety, and private sector information.

It is managed by the New Jersey State Police, which as I mentioned, also houses the State’s Office of Emergency Management. The ROIC has been operating in its current form since the beginning of this year, though in cramped quarters which constrain its effectiveness.

A building housing a new Regional Operations Intelligence Center is just being completed. It encompasses 55,000 square feet of space and we are already adding another 11,000 square feet, which is currently under construction. It is being built at a cost of approximately \$28 million, which has been totally state-funded. We believe the ROIC, which we expect will open its doors next month, will be one of most cutting-edge fusion centers in the country. Once it is open, I invite any member of this committee to take a tour and to see its capabilities first-hand.

In developing the ROIC, New Jersey built on guidelines developed by the U.S. Justice Department and the Department of Homeland Security for establishing and operating fusion centers. In that regard, the ROIC follows the recommended focus on the intelligence process, where information is collected, integrated, evaluated, analyzed and disseminated.

Because of its broad function, the center draws from a diverse population and includes representatives from federal, state, local, and private agencies who reflect the entirety of New Jersey’s law enforcement, intelligence and emergency response community.

In the area of homeland security, the fusion process supports the implementation of risk-based, information-driven prevention, response, and consequence management programs.

It also embraces the principles of intelligence-led policing, community policing, and collaboration.

The ROIC centralizes information on emergencies, crimes, and suspicious activities in support of a robust analysis process that develops trends and patterns and other aids that ultimately increases the ability to detect, prevent, and solve crimes while safeguarding our state.

Mr. Chairman, and members of the subcommittee, I believe our fusion center is on the cusp of being the ultimate authority on the threats posed within our state by home-grown terrorists and other criminals, as well as the center that can best inform us on the response and mitigation of natural disasters. That is how it should be: we should know more about New Jersey than anyone else.

But Mr. Chairman, what I am less sure about is that the national effort is making the best use of this home-grown information.

DHS has visited the ROIC and offered to place a full-time representative there in the near future. In anticipation, my office has detailed a full-time analyst to DHS' Intelligence Office. The State Police also has detailed a trooper to DHS' National Operations Center. We have invested in this cross-pollination because we believe that it is important that we understand each other's missions as we move forward in this information-sharing effort. But we have yet to receive assurances that Washington is interested in systemizing the use of local data.

Let me try to describe what I mean. Early in my career as a young federal agent, I assumed that all of my investigative reports, which were carefully marked for headquarters distribution, were routinely read and that they somehow factored into a sophisticated and systematic analysis that lead to macro decisions on strategy and support.

It was not until years later when I was a federal administrator charged with producing strategic intelligence for the country on the threat of drugs and gangs that I saw that the volume of local data and the fusion of that data with all other sources was an expensive and resource-intensive proposition. And, in a local, operational-support-starved environment, it did not add much value if it was not timely and specific.

Conclusions such as these probably helped to foster the birth of the state fusion center concept, which does not rely on federal support.

Currently DHS and other federal entities such as the three FBI Joint Terrorism Task Forces that affect New Jersey (Newark, Philadelphia and New York City), and the High Intensity Drug Trafficking Area program in Newark, and the other locally based federal agencies provide my office and the ROIC with almost daily general information on external threats with only occasionally some specificity to New Jersey.

The communications links among us are excellent, and I could not think of how to better improve the inclusiveness federal agencies have demonstrated since 9/11.

But there is a missing piece; something which is critical and something that only the federal government can do.

Mr. Chairman, New Jersey will synthesize its internal threat information through the ROIC as I mentioned before, by drawing from the myriad of municipalities and their local reporting. We are doing that now and we will continue to produce an annual intelligence estimate for our state. It is a time-consuming process, but we can do no less. We need that assessment to manage our homeland security program.

But that is all we can do.

We do not have the time or resources to regionalize this effort or to blend our efforts with national trends and patterns. Nor do I see an effort by anyone at the federal level to standardize state efforts by building a national fusion center, a center that takes my information and looks for links with other similar events across the country. A center that builds a national data bank from local information, from the ground up as we are doing locally. If there is such an effort, the intelligence and emergency response communities of New Jersey are not routinely being informed about it.

If there are home-grown terrorists plotting in another state to harm us in New Jersey, we would like the opportunity to defend ourselves. In many ways, New Jersey is a microcosm of the entire country. We do not have the ability, enjoyed by the New York or the Los Angeles Police Departments, to place people in other fusion centers or in countries that they perceive may present threats to their city or region.

We need a national effort that views homeland security in terms of the lowest common denominator. As I noted, we have 479 police departments in New Jersey. As small as some are, each is the security expert within its area of responsibility.

We need an effort that views all intelligence, like emergencies and politics, for their local value.

As I say, we are getting the international and intelligence community information from DHS and the FBI like never before, but we are not getting routine intelligence from the other fusion centers.

We will continue to harness all-source information for the state of New Jersey as other states are doing. If the federal government were to tap into that resource and sift through that data and share relevant information, we could protect ourselves better.

I think that we are generally on the right road to creating a national information-sharing system that has potential to better protect all states and the nation. However, we need DHS to step up and provide a clearer road map, or a template, if you will, so that intelligence and information from states such as ours can be easily synthesized with information and intelligence from other states, as well as from the national perspective.

If that is the reason DHS plans to place representatives into our fusion centers, no one would welcome them more than New Jersey.

Right now, there is a considerably robust flow of information from the federal government, much of it of a sensitive nature that was never previously shared with state and local entities. But it is not information that we can easily "operationalize." It is information that is good to know, but it is not good information on which we can routinely act.

As New Jersey's ROIC shortly becomes one of about 40 fusion centers on line across the nation, we still have many questions to answer regarding how all the information we will be generating will be "fused." By whom and to what ends.

In my view, to sum up, this is still a national work-in-progress. I am excited by the prospects, but we still have much more to do on the state and national level to bring the promise of fusion centers and a national intelligence-gathering system to fruition, a fruition that will prevent events from 9/11 from ever happening again. Nonetheless, I have great hopes that we will make great progress in the short months and years to come.

I thank you for your attention. I will be happy to take your questions.

Mr. SIMMONS. Thank you all very much.

Colonel Bouche, you mentioned the problem of sensitive but unclassified information, SBU. In your day-to-day operation, to what extent are people hindered by the fact that sensitive but unclassified information is simply not being shared?

Mr. BOUCHE. I think that the problem is twofold. One is, because there is not a clear definition of how it is being handled, information is probably getting to people who shouldn't see it; and, at the same time, information is not appropriately being shared because people don't know how to handle it.

One of the main issues in Illinois that we have with sensitive but unclassified information is, in essence, our classification system. And I would always argue with any of my Federal partners that the fact that a narcotics officer or an undercover officer working organized crime, a law enforcement sensitive document is the highest level a Top Secret classification could ever give, but yet his life, his methods all depend on the fact that that be kept secret, that it be kept from being shared. So where the confusion comes in is no one really has a clear understanding of what "for official use only" means. No one really understands what "law enforcement sensitive" means.

I found it very interesting 2 ars ago when we first raised this question at Global that the Department of Justice produced a policy on law enforcement sensitive that was written when the agenda for Global came out that they were going to discuss law enforcement sensitive and there wasn't a policy on it and there hasn't been a policy on it. So what needs to happen is we need to come forward with clear, very easy to understand recommendations.

What we are getting back from many Federal agencies is, well, that is just not possible. You know, the GAO originally said there were 50 some and then they went up to 70 some and now it is 100 and some different markings. And I understand that they are a many of them are vested in laws, many of them are vested in policies and procedures of agencies, but the most important mechanism that we need to create is that when agencies at the Federal level exchange with agencies at the local level we follow a clear, consistent path.

It doesn't matter how agencies at the Federal level exchange with themselves, it really doesn't matter how agencies within Illinois exchange with themselves, as long as there is a clear under-

standing of what the markings mean. But when we get to this global environment or at least national environment there has to be a very clear understanding. It has to be simple. And we are kind of shocked because we don't see it as being that difficult.

Mr. SIMMONS. Continuing this line of questioning, I agree with you. When we first had hearings on SBU, it seems that the categories grew exponentially. I suggested to the witnesses perhaps we should get rid of all of them and then see who screams the loudest and add a few back. I don't think we have heard much from the executive branch on that recommendation.

But the fact of the matter is, as you have described, you may have a situation locally in Illinois where a narcotics officer is tracking the drug trade, which may be a part of the finances of a terrorist group, does not want his or her source to be jeopardized, and yet information that is being learned as part of that investigation may apply to some other activity across a neighboring border. So how the heck do you preserve and protect your source who is reporting to you and at the same time allow that information to be useful?

Now, again, law enforcement sensitive is not a classification. We basically have three classifications—Confidential, Secret and Top Secret—and then a whole bunch of compartments. That is basically what the classification system says.

But what you have described also is something I think that you said could be local. It could be a local control. Your local folks could be saying, hey, we have this hot tip, but you know we can't tell anybody right now because the source is in jeopardy. Has that been encountered by either of the other two witnesses in New Jersey or in Virginia, the issue of sensitive but unclassified?

Mr. CANAS. In New Jersey, Mr. Chairman, what we experience is that, of course, the most classified information we have are informants, under a national classification would be probably Secret or Top Secret. But under the classification guidelines of the executive order, federally, it really poses no threat to the United States of America if that informant is revealed, but it does locally create a tremendous disturbance within our local system.

So, yes, we do need a separate classification for what I would call limited official use, which is really unclassified under the national system, but under the State and local system it is probably something of value.

I don't know if the Colonel wants to add to that.

Mr. BOUCHE. If I could, there is a recommendation from Global to come forward with three markings for sensitive but unclassified information, and one would be law enforcement sensitive, one would be homeland security sensitive and the third would be for official use only.

There would be three sub-markings for all categories. The first and most restrictive would be restricted. So if it was law enforcement restricted the originating agency would be able to identify who could see the information generally by name of officer or individual or by name of agency. If it was need to know if it was law enforcement sensitive need to know, it would be described by a policy of what agencies and those type of environments that it could be released to. And if it was law enforcement sensitive it just wouldn't

be released outside of law enforcement. It could be used in places like Roll Call, but it would still be handled sensitively. Those same three subcategories would apply to the other two as well.

We applied that simple model across the board with many Federal partners and tried to identify where the holes in it were; and, quite honestly, we couldn't find any. It seemed to really give us the opportunity and obviously would need a better structure around it than I simply defined to you, but there is a simple model that would really put forward some security on information coming from the State or coming from the Federal Government to the States.

Mr. SIMMONS. And that three-part system, is that currently under consideration, in your view?

Mr. BOUCHE. No. It was submitted to the sensitive but unclassified committee that was formed from what I understand at the Federal level. From what I understand, that committee has been disbanded, and a new committee has been formed. I had the opportunity to speak with Ambassador McNamara about it this morning, and he has invited me to have a representative at the new committee to make sure it gets presented.

Mr. SIMMONS. Make sure you get that one back in there. He was the witness who I suggested that we just get rid of the whole damn thing and start over. I think he was shocked by the thought.

We have heard earlier from Charlie Owen that there is a sense at the Federal level that fusion centers, which are different and are different for different reasons, should be respected for those differences, that they have grown up in different parts of the country with slightly different flavors and complexions but that that may reflect in fact that region, which is a good thing.

At the same time, Ms. Whitmore, you said it is imperative that one uniform Federal system be adopted that allows all partners access based on appropriate clearances and provides real-time information. I gather what you are calling for here is a uniform Federal system, not uniformity in fusion centers. Is that correct?

Ms. WHITMORE. That is correct.

Mr. SIMMONS. And how do you see the failure of that uniformity to effect your mission?

Ms. WHITMORE. Well, like I said in my statement, right now, we are currently monitoring probably seven or eight different systems on a daily basis throughout the day and those systems may have the same information on each of them but you have to check each one to make sure that you are not missing that one piece of information. If we have one Federal system that we can monitor for those types of information, then we are not spending hours checking the same information.

Mr. SIMMONS. And you went on to say that one of the frustrating aspects that you have encountered is the issue of security clearances, which you have talked about a little bit, that Virginia State Police get their clearance from the FBI, so presumably the FBI makes the request, whereas the National Guard folks get it through DOD, and the law enforcement other groups get it through DHS. Which other groups get it through DHS?

Ms. WHITMORE. Virginia Department of Emergency Management and the Virginia Department of Fire Programs.

One thing with that is that both of those agencies they still undergo full Virginia State Police background checks so they are cleared for law enforcement information. They are considered part of the Virginia Fusion Center, and they can access the same information. So that, technically, they have undergone Virginia State Police background checks, but they are employed by a non-law enforcement agency. So, therefore, the FBI won't conduct a clearance investigation for them. We have been told it can only be done by DHS, so we have to go through different agencies.

Mr. SIMMONS. Is that the same situation that you have encountered in New Jersey and Illinois?

Mr. CANAS. In New Jersey, Mr. Chairman, the Department of Homeland Security does clearances for my office, all of my officers. If I do want to send one to the JTTF, for example, and a Top Secret is required, then the FBI does that clearance for us. The Governor's clearance, all of those are handled and the Attorney General's clearances are handled by the FBI, but DHS does the ones for my office and my staff and all the analysts we have in the ROIC.

Mr. SIMMONS. Illinois?

Mr. BOUCHE. It is basically the same issue, sir.

Mr. SIMMONS. Should that system be corrected or changed?

Mr. BOUCHE. The biggest problem that comes in is, one, the non-recognition of the different clearances from different agencies, even though law requires them to be recognized. But that actually is a small problem compared to the problem of our inability to actually clear the people that need information. When we started talking about should the classification system be changed, if we could clear everyone that needed to be cleared, the system still wouldn't be perfect, but it would work better. It still is in need of reform.

For example, all of our agencies, when we go through background investigations—and I did a comparison and actually did a comparison with the New Jersey Attorney General's Office of the backgrounds for Global that we conduct on our officers, that they conduct on their officers, that the New York State Police conduct on their officers; and with the exception of following up on immigrant backgrounds, there was nothing that happens in our—that doesn't happen in our investigations that wouldn't happen in a Top Secret clearance investigation.

So it is time to reconsider who has the authority to clear people and who has the authority to issue clearances. There should be a central clearinghouse. If the Federal Government can issue the authority to a contractor to do background investigations, why couldn't they issue the authority to a State Police agency to clear their own people? That would go a long way in giving us the capacity to at least get the right people cleared so we could—because I believe the battle to reform our culture around Secret/Top Secret information is years in the making. This would be a stop fix that would help us get further.

Mr. CANAS. I would like to add to that, Mr. Chairman, and echo the Colonel's words; and I use myself as an example.

Coming on board, my Secret/Top Secret clearance had expired when I took the job of what we call a four-way, which is a very extensive background investigation done by the State Police, lasted 2 months, extremely extensive, did everything except checking on

trips I had taken overseas recently. None of that was included when I went for my Top Secret clearance with DHS. None of that was accepted by the contractor, had to do all that paperwork all over again, work that had already been done by a qualified State officer. It would seem awfully redundant, and I still don't have the clearance from the DHS on that. We have an interim Secret, so it just seems like an awful lot of duplication is taking place there that is unnecessary.

Mr. SIMMONS. I appreciate that I served with the Central Intelligence Agency for 10 years. Having been a military intelligence officer, as a CIA officer I cleared at a fairly high level. When I resigned and went to work on Capitol Hill, I had to be recleared by the Senate for Senate staff work, even though I had been cleared by the Army and cleared by the CIA.

And I guess the only time I have ever encountered that I have had no problem with my clearance is when I was elected to Congress.

I am not suggesting that that is a good way to go. But, you know, what you have described is the insanity of what I call the secrecy system that we have, which is why I happen to be an advocate for open-source intelligence, which is intelligence that is produced from openly available sources of information that theoretically just about anybody can access. And when you understand that almost 80 percent of the average requirements that are out there can be answered in one way or another with open-source information, which can be shared, it is the path of the future, in my view.

I think it was you, Colonel Bouche, who referred to the 800,000 law enforcement officers and 19,000 police agencies in the country who haven't even talked about tribal entities, which in my State they have substantial police activities.

You know this is a huge resource. It is absolutely critical to homeland security. But if we can't share the requirements and we can't share the tip-offs, how can they share the clues?

So it is wiring these resources in a manner in which they can share back and forth that is so critically important and that appears to be the challenge. So often we look at it as a technical thing, that if we have a computer or a piece of software we can do it. But in actual fact what seems to be gumming up the works the most is the controls.

Any thoughts on that?

Mr. CANAS. Well, I, for one, I spent most of my adult life in the Federal system; and I also was with the CIA and NSC and had to go through clearances and redundancy. But I am a big advocate of open source, but, as I mentioned to Mr. Allen before we testified, that, frankly, having these clearances, the information we receive isn't as important as the fact that we have access to it. That in and of itself has its own life. But the information itself is not critical.

But knowing the so-called unknown—this is all post 9/11. You know, prior to 9/11, the idea of a State and local officer being shoulder to shoulder with the FBI working in a SCIF was unheard of. So we don't want to criticize too much. And having State and locals cleared and more of them that we have cleared it is going to bog down the system somewhat.

But, frankly, it is much better that we have access to information, not because it is of great value to us in our day-to-day work. Frankly, what we do internally is probably a heck of a lot more valuable. But it is the idea of what we don't know, and having access to what is out there is extremely valuable to not only the camaraderie you haven't heard too many complaints lately of a lack of sharing of information. That has improved a thousand percent since 9/11.

Mr. SIMMONS. I appreciate that comment. I know it has been said on the record that what we are trying to do here in some respects is a work in progress, and I agree with that. But it is a work in progress, and I think progress has been made.

I have worked at the Federal, State and local level; and certainly before 9/11 the way an investigation would unfold was pretty apparent. The local police would show up. They would lay out the yellow tape. Word would get out. The State troopers would show up in about 2 hours. They would take over. And then if it was really exciting, in comes the FBI: Okay, you bozos, get the hell out of here. It was very apparent.

That model is no longer with us, and I think that is probably a good thing. It wasn't a great model to begin with, but I think, under the current environment, it is good that it is gone and hopefully forever.

I have a question for all of you, and it may not be a fair question. So if it is not fair, just let me know.

Which Federal agency should be the primary Federal agency responsible for the receipt and dissemination of terrorism-related information to and from State and local fusion centers? I mean, there has been this discussion about the FBI. There has been discussion about homeland security. I suppose, you know, we can throw a couple of other agencies in there while we are at it. Which one should be the lead or the top dog, or in fact do we have what we might call a dog team? From the perspective of each of the three of you.

Mr. BOUCHE. In Illinois, we are starting a new process that I think will help define how that occurs. In fact, in our fusion center, we have always worked what we call our desks, and our desks were narcotics and violent crimes and terrorism, and we had people who specialized in those. We are now going to expand on that process, and we are looking to create the environment where different agencies have a leadership role in different desks.

So the FBI, for example, would clearly be defined as having the leadership role in anti-terrorism investigations. State officers, homeland security officers, anyone who is willing to play would work under that supervisor; and, in that case, that information would probably come through and go through the FBI.

At the same time, we also see a huge need for infrastructure protection and other types of information that clearly should come from DHS; and there will be another desk for that, including both of our public agencies that need to be involved in infrastructure protection as well as our private agencies.

So I think where you started to wrap up with is that it is a team. And where the conflict comes in is that the roles for the team overlap; and they overlap through congressional action, through laws. They overlap through administration's executive orders, and they

overlap from the agencies themselves defining their mission so broadly that they overlap.

What I really think would benefit all of us is not to create a single pipe. That will never work. There are too many agencies that have specific missions that need to interact with at the State and local level. What needs to happen is those pipes need to be defined.

The Ambassador said, the lane is in the road; and that is a catchy phrase people are using now. We need to define who is doing what. It doesn't mean that the roles won't overlap, but we can define the leadership agencies, and I think that will clear up where information goes and how it is processed.

Mr. SIMMONS. Any of the other of you? Pretty good answer, actually.

Mr. CANAS. From my point of view, Mr. Chairman, I agree with the Colonel.

I have intelligence. I also have preparedness. DHS has its intelligence unit. It also has a larger role with FEMA and preparedness as well. So I believe that, for the investigations of counterterrorism, I believe the FBI has the lead on that and that that lead, to use the Colonel's words, should be with the FBI and they have primacy over investigations of counterterrorism.

But things that don't meet that threshold, that are below that threshold, I think that falls into our area to investigate, the—all crimes, if you will, the home-grown, that may not meet the FBI's threshold. That is what I am encouraging DHS in our conversations with Mr. Allen about using our home-grown information, someone to synthesize that information. No one is doing that right now.

I believe that should be the DHS. I don't believe the FBI can handle that because, by their own admission, they are doing—they are the lead on counterterrorism. But synthesizing home-grown information, as I call it, or from the ground up, that is a broader—that would include open source. That would include a lot of things the FBI is not familiar with but the intelligence community is and DHS may—I believe should have the role on that. That is my opinion on that.

Mr. SIMMONS. Does that fall into the area of building a national fusion center from your testimony?

Mr. CANAS. That is correct. That is the way I see it.

Because what is missing out there is from a national perspective. Because we can do this for New Jersey, and the Colonel can do it for Illinois, and we should know about our own area. But what I know in New Jersey and what he knows in Illinois and what she may know in Virginia no one is taking that information and putting it on some virtual board that can be tapped into. As a result—because now the intelligence community and the military knows how to do this at the national threat level, but domestically that is a little dicier to do, and no one is doing it.

But if people could synthesize that home-grown information I would submit to you from a national perspective we would know more about Des Moines, Iowa. Right now, we know more about Guatemala than we do about Des Moines, Iowa, from a Federal level; and the reason for that is no one is taking that information and putting it into a bucket and having analysts look at it from

that perspective. That is not occurring. I submit that should be DHS.

Mr. SIMMONS. I agree with you completely. That has been part of the struggle of creating and defining the responsibilities of the Chief Intelligence Officer of DHS and creating INA. Depending on how you do it, it no longer—well, depending on how you do it, the activities of those activities of DHS could disappear into the U.S. intelligence community, if you will. In many respects, that is considered not a solution but a problem.

So it has been difficult from a jurisdictional and legal standpoint to try to define the Chief Intelligence Officer and his mission in the activities under his jurisdiction in such a fashion that he can be available to perform the tasks that we want him to perform for you and not get sucked into the U.S. intelligence community and essentially disappear from the face of the earth.

Mr. BOUCHE. On that point, sir, could I add that one of the things that concerns us greatly in law enforcement is we don't want to become part of the intelligence community. The intelligence community doesn't want to become part of law enforcement.

Mr. SIMMONS. No kidding.

Mr. BOUCHE. Our roles are so distinctly different, yet we have a need to share, and we have a need to share relevant information. One of the roles that I believe Mr. Allen is starting to define and that I think is desperately needed is who is going to be the conduit between the intelligence community and law enforcement. And that is a DHS role. It is not an ongoing investigative role. It is a conduit role between the two. And actually the person who can draw the line because we—last thing I want is my officers acting on behalf of the intelligence community. But if there is an agency between the two that facilitates appropriate sharing that is a good role for DHS.

Mr. SIMMONS. Would that fall into your comment about building bridges?

Mr. BOUCHE. Yes, sir.

Mr. SIMMONS. That is what I thought.

Well, I want to thank you very, very much for coming here today, for sharing with us. A lot of the comments that you have made are right on the point of what we are trying to accomplish here.

I have to say, looking back over the last 5 years, in some respects it has been exceedingly frustrating because things seem to be going very slowly. It seems to be very difficult to reorganize, restructure the processes, the rules of procedure, the equipment, so on and so on and so forth, which is so essential to secure the homeland.

But, on the bright side, 6 years ago we wouldn't have this conversation. We wouldn't have this hearing. We wouldn't have the knowledge base of the three of you, which I would call an expert knowledge base on attacking this problem. Nobody would know much about it.

So, in that regard, those 6 years ago we wouldn't have a committee like this or a subcommittee. So, in that regard, we have made progress, painful though it may be.

But, before we close, I would like to ask each of you if you have anything you would like to offer for the good of the order that has not come out in the questions or the testimony thus far.

Mr. BOUCHE. No, sir.

Mr. CANAS. No, thank you, Mr. Chairman.

Mr. SIMMONS. That being the case, thank you very, very much for your testimony. Thank you for your dedication to these important issues. Thank you for your service to your communities, your State and to the country. Thank you all very much.

Hearing adjourned.

[Whereupon, at 4:40 p.m., the subcommittee was adjourned.]

