

**Statement of Matthew Bettenhausen**

**Director**

**California Office of Homeland Security**

**April 17, 2008**

**Before the Senate Homeland Security and Governmental Affairs Committee**

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

**Fusion Centers: A Progress Report**

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

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

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

### **California's State Terrorism Threat Assessment System**

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

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

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

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

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

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

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

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

### **National Support Has Contributed to the Success of Fusion Centers**

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

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

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

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

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

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

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

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

### **Fusion Centers' Role in Protecting Critical Infrastructure**

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

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

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

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

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

### **Building a More Robust and Sustainable Network of Fusion Centers**

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

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

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

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

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

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

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

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

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

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<sup>1</sup> National Strategy for Information Sharing, October 2007

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

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

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

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<sup>2</sup> Homeland Security Advisory Council, Report of the Administration Transition Task Force, January 2008



# Department of Justice

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**STATEMENT OF**

**VANCE E. HITCH  
CHIEF INFORMATION OFFICER  
DEPARTMENT OF JUSTICE**

**BEFORE THE**

**SUBCOMMITTEE ON STATE, LOCAL, AND PRIVATE SECTOR  
PREPAREDNESS  
COMMITTEE ON HOMELAND SECURITY GOVERNMENT AFFAIRS  
UNITED STATES SENATE**

**AT A HEARING ENTITLED  
“FOCUS ON FUSION CENTERS: A PROGRESS REPORT”**

**PRESENTED**

**APRIL 17, 2008**

**Statement of  
Vance E. Hitch  
Chief Information Officer  
Department of Justice**

**Before the  
Subcommittee on State, Local, and Private Sector Preparedness  
Committee on Homeland Security Government Affairs  
United States Senate**

**“Focus on Fusion Centers: A Progress Report”**

**April 17, 2008**

Good afternoon and thank you, Mr. Chairman and Members of the Committee, for the invitation to speak to you today. On October 31, 2007, the President released the *National Strategy for Information Sharing* which describes the vision that has guided the Administration for the past six years and sets forth our plan to build upon progress and establish a more integrated information sharing capability to ensure that those who need information to protect our Nation from terrorism will receive it and those who have that information will share it. As reflected in the *Strategy*, a critical part of this Administration’s efforts to improve information sharing has centered on the establishment of a national integrated network of State and major urban area fusion centers. The *Strategy* sets forth a roadmap for how the various components of the Federal government will work with State, local, tribal and private sector officials across the nation to make this goal a reality.

As both the Chief Information Officer and the Information Sharing Council representative for the Department of Justice, I am proud to discuss the accomplishments of the Department in the area of fusion center support. This truly is a Departmental effort and I want to recognize the invaluable support of my colleague, Domingo Herraiz, who as the Director of the

Bureau of Justice Assistance (BJA) has done great work on behalf of State and local law enforcement through a variety of grants and direct support programs over the years. BJA has been a critical facilitator and coordinator with our other Federal partners such as DHS and the ODNI as the Administration has implemented a single approach to supporting and working with State and local fusion centers.

Today I will highlight some of the Department-wide efforts to implement the National Strategy for Information Sharing, and I will cover BJA's accomplishments in support of the fusion centers which include training, technical assistance and on-going Department-wide efforts to protect the privacy, civil rights and civil liberties of our citizens. I would like to emphasize that many offices within DOJ support the fusion centers, and our employees focus on more than just providing them money and policy guidance. Across the board, we are trying to leverage existing partnerships, programs and technologies to support the fusion center mission. Agents, deputies, analysts and intelligence personnel from the FBI, DEA, ATF, USMS and US Attorney's Offices sit side by side at the fusion centers with local law enforcement personnel in our communities every day. While many of these fusion centers do aim to prevent terrorist activities, we cannot forget the valuable role they can and will play in reducing any type of crime. These fusion centers play an important role in protecting their communities by fostering *information led policing* efforts and focusing resources on the biggest **local** problems. Fusion centers are key to helping solve interstate and national crimes such as drug trafficking.

The Department's support to fusion centers is done in coordination with many partners across the Federal government. It is not easy to get multiple Federal agencies moving in the same direction at the same time; in his role as Program Manager for the Information Sharing

Environment, Ambassador Ted McNamara leads the inter-agency process established to make this network of fusion centers a reality and he has been critical to the progress we have made so far on fusion centers. Through his leadership, various agencies within Federal, State and local governments were brought together to put in place a unified approach to support fusion centers.

It bears mentioning that fusion centers are owned and operated by State and local governments and the Federal government's partnership with fusion centers recognizes respective States' sovereignty. The success we have seen so far with the establishment of fusion centers is mainly due to a select group of committed State and local law enforcement and homeland security professionals who recognized the need to enhance their counterterrorism and homeland security capabilities, and to do that in such a way that it could be integrated into their core mission to protect the public's health and safety. This can include emergency and non-emergency services. In particular, the steady leadership of the Global Justice Information Sharing Initiative's Criminal Intelligence Coordinating Council has not only nurtured the idea, framework, and guidelines for fusion centers, but also has worked to ensure these fusion centers are successful in their stated missions.

## **Introduction**

Last month, we co-sponsored, along with DHS and various members of the Intelligence Community, the 2<sup>nd</sup> annual National Fusion Center Conference in San Francisco. Over 800 people attended from all levels of government, including Federal, State, local, and tribal law enforcement and homeland security professionals who are responsible for various aspects of a fusion center including: legislative and executive oversight, management, and the analytic/technical operations. Numerous Senate and House staff attended, Congresswoman

Harman was a luncheon speaker and my co-panelist from GAO was a speaker for the breakout panel on legislative oversight. The feedback we have received is very positive, and evidence that we are moving the ball forward in terms of improving communication, coordination and most importantly adapting to the needs of our customers who you have just heard from on the earlier panel.

In accordance with the recommendations approved pursuant to Guideline 2 of President Bush's December 16, 2005 Memorandum -- a Fusion Center Coordination Group (FCCG) was established to facilitate a coordinated Federal approach to the establishment of a national integrated network of State and major urban area fusion centers. The group is co-chaired by DHS and FBI and includes participation by State and local representatives, three offices within the Department of Justice, as well as other Federal agencies. It has the responsibility to support the implementation of relevant guidelines and minimum standards to advance the nationwide development of fusion center capabilities and ISE operations in order to maximize interoperability on a national basis. My testimony today will highlight the accomplishment of this group which has been in existence for about two years.

### **Training, Technical Assistance and Outreach**

Following the August 2006 publication of the *Fusion Center Guidelines* report<sup>1</sup>, the partners identified a need to assist State and local agencies with establishing fusion capabilities. As a result, four conferences were held between August and October 2006, and those in State and urban area fusion center leadership positions were provided training, guidelines, tools, and resources in a regional setting. The regional conferences culminated in a National Fusion Center

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<sup>1</sup> [www.it.ojp.gov/documents/fusion\\_center\\_executive\\_summary.pdf](http://www.it.ojp.gov/documents/fusion_center_executive_summary.pdf)

Conference sponsored through a partnership among DHS, DOJ, DOJ's Global Justice Information Sharing Initiative (Global), the FBI, the ODNI, and the PM-ISE.

In January 2007, DOJ and DHS announced an effort to provide technical assistance services to support the development and enhancement of a national network of State and local fusion centers. The DHS/DOJ Fusion Process Technical Assistance Services catalog is made available to local users via the National Criminal Intelligence Resource Center (NCIRC) Web site. These services are gaining momentum, and requests have increased since the recent national conference. Delivery of training and technical assistance relating to privacy, criminal intelligence, information technology, and fusion center operations has been given to four regional groups and is pending in multiple States, including Alabama, Arizona, Indiana, Iowa, Michigan, Minnesota, New Hampshire, New Jersey and California.

A focus group composed of subject-matter experts from fusion centers across the country and sponsored by DOJ's Global, the PM-ISE, and DHS convened in January 2007. The group was charged with operationalizing the *Fusion Center Guidelines* and expanding upon the guidance detailed in the President's National Information Sharing Strategy by developing baseline capabilities and suggested business processes that fusion centers should include in their operation. The baseline standard, expected to be completed in May 2008, will serve as foundational elements for integrating fusion centers into the ISE, while facilitating continuity and sustainability of fusion center operations at the State and local levels.

## Grants

In both the DOJ and DHS grants in 2007, we had well coordinated conditional language that mandated the use of the National Information Exchange Model (NIEM)<sup>2</sup> for all technology projects to assure interoperability. This is significant for two reasons, in that it validated the use of NIEM and it proved DHS and DOJ were in sync on key technical issues. This same language was also applied to the COPS grants awarded later in 2007. The importance of using the same technical standards will be covered later in my testimony.

The President's Strategy calls for DHS and DOJ to work together to ensure that State and local fusion centers received both the grant funding and technical assistance needed to achieve and maintain a baseline level of capability. DHS and DOJ have broadened the allowable expenses under these programs to address concerns raised by State and local officials. DOJ and DHS have jointly established and are managing the "DHS/DOJ Fusion Process Technical Assistance Program" which provides training and other technical services to State and local officials. This technical assistance (TA) has already been provided to 94 jurisdictions and numerous new TA sessions are planned in the upcoming 12 months.

At the most recent National Conference, a dedicated panel presented information relative to grant funding and how to write more effective proposals, while the speakers explained the process for grant submission and the internal review mechanisms back here in Washington.

I cannot conclude my comments on grants without highlighting the important work of the Global community. This advisory body (made up of volunteers from many State and local agencies and organizations across the country), acts as the voice of the customer for the entire justice community. As the Federal organizations develop new ideas and tools relating to sharing,

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<sup>2</sup> [www.niem.gov](http://www.niem.gov)

Global is our sounding board. BJA is the designated Federal lead who coordinates partnership activities on behalf of the Department, and the other Federal agencies involved in the ISE. BJA and my office support Global by providing funding and actively participating in its programs and governance.

### **Safeguarding Privacy and Civil Liberties**

Fusion centers operate under a multitude of statutory and regulatory frameworks intended to ensure that information is handled in a way that protects both the information privacy and the legal rights of Americans. Fusion centers are owned and operated by State and local governments; and they are required to comply with State and local regulations that pertain to the protection of an individual's information privacy and legal rights as it relates to the gathering, handling, storing, and dissemination of information. In many cases, these State and local laws enhance the protections found under Federal law. Fusion centers implement Federal privacy laws and policies when processing information collected and created by Federal agencies. Furthermore, Fusion Centers supported by grant funding provided by DOJ's Office of Justice Programs must comply with 28 CFR Part 23, which governs the collection, maintenance, and sharing of criminal intelligence information and which specifically states that the collection and maintenance of criminal intelligence information may occur only if there is a **reasonable suspicion** that the individual is involved in criminal activity and the information is relevant to that activity. Reasonable suspicion is a **defined** standard that requires that information exists which establishes sufficient facts to give a trained law enforcement or criminal investigative agency officer a basis to believe that there is a reasonable possibility that an individual or organization is involved in a definable criminal activity. 28 CFR Part 23 has become the **de-**

**facto standard** used by State and local law enforcement as well as fusion centers whether or not such entities receive grant funding.

As part of the Information Sharing Environment (ISE), Fusion Centers will be required to comply with the President's Privacy Guidelines for the Information Sharing Environment and other procedural, oversight and technological mechanisms established to protect the information privacy and legal rights of Americans in connection with the exchange of data with Federal agencies. Furthermore, an interagency effort to develop a unified process for the reporting, analysis, and sharing of information related to suspicious activities and circumstances specifically seeks to address how Personally Identifiable Information (PII) will be protected in these Fusion Centers and the ISE. Grants guidance and fusion center guidelines distributed by DHS and DOJ require that State and major urban area fusion centers establish privacy policies and appoint a privacy officer. FBI personnel assigned to Fusion Centers, operate under clearly defined processes and protocols, approved by the Attorney General, designed to safeguard sensitive information regarding individuals from inappropriate handling and disclosure.

At DOJ, all of our work on fusion centers is coordinated with the Office of Privacy and Civil Liberties (OPCL). Our Chief Privacy and Civil Liberties Officer is the co-chair of the ISE Privacy Guidelines Committee (PGC) required by the Privacy Guidelines released by the President in December 2006 to support the development and operation of the ISE. The State/Local/Tribal Working Group of the PGC submitted an addendum to the Fusion Center Guidelines to strengthen further the recommended protection policies that should be implemented nationally. Protection policies range from ensuring a clear understanding of the legal authorities governing the operation of a fusion center to designating a privacy officer to

serve as a focal point. BJA is currently collaborating with DHS on the development and delivery of privacy, civil liberties and civil rights training required under the 9/11 Commission Act, Section 513(a)(2). This training will be made available to the fusion centers in 2008 and 2009 and will build upon existing training and work by DOJ on these challenging issues.

Within the last year, Global developed and released the Privacy Policy Development Guide and Implementation Templates, which provide justice practitioners with practical guidance on developing and implementing a policy to ensure and enhance safeguards for privacy rights and civil liberties. State and local criminal justice practitioners recognize this Global effort as important foundational work.

The Department, in cooperation with DHS and ODNI through the National Fusion Center Coordinating Group (NFCCG), conducted Technical Assistance (TA) sessions on the ISE Privacy Guidelines at four regional meetings with the result so far of twenty-five Fusion Centers submitting draft Privacy Protection Policies for peer review with the expectation that all Fusion Centers will complete such policies before the end of the summer.

## **Security**

Significant work has been done by FBI and DHS personnel to bring classified capabilities to the fusion centers. There has also been work done on information technology, personnel and facility security. Fusion centers implement Federal information security laws and policies when processing information collected and created by Federal agencies. Additional detail concerning the protection of classified information and the physical security of the fusion centers can be provided to the subcommittee in private meetings.

Security is an important feature of a workable information sharing system, and the Federal government has the expertise and training capabilities to help the State and local personnel establish appropriate security safeguards in an expedited manner.

## **Technology**

DOJ is implementing its Law Enforcement Information Sharing Plan (LEISP)<sup>3</sup> and as evidence of the inter-agency cooperation, my office has worked closely with DHS Immigration and Customs Enforcement (ICE) to implement a similar and complementary strategy within DHS. We are implementing the strategy of the President<sup>4</sup> and the guidance passed by Congress in 2007<sup>5</sup>.

In support of the President's plan, we are also connecting our networks at the SBU level to provide connectivity and encrypted collaboration (document posting, email, alerts) to the fusion centers. DOJ is investing and expanding both LEO and RISS to support the needs of law enforcement across the country. We are also very proud of the FBI-CJIS Division, as they launched the first phase of the National Data Exchange last month, and this system will be a critical tool for the fusion centers and the approximately 18,000 law enforcement agencies across the country.

As I mentioned earlier, this sharing is enabled by the use of standards. DHS and DOJ have agreed to use NIEM, and we continue to work with our other Federal partners to implement information exchanges utilizing this common data model. We are now able to connect systems in months versus years because of the utilization of standards.

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<sup>3</sup> <http://www.usdoj.gov/jmd/ocio/ppp.htm>

<sup>4</sup> <http://www.whitehouse.gov/nsc/infosharing/index.html>

<sup>5</sup> HR-1 Implementing Recommendations of the 9/11 Commission Act of 2007

And what I know is an important issue for the previous panelists, the FBI has provided classified capabilities to 26 fusion centers so far, and they are on track to add this capability to 20 more by the end of the year. Connectivity will allow appropriately cleared local personnel to securely collaborate with other organizations around the country, and it will provide them access to NCTC Online. DOJ, DHS and the DNI are working to streamline secret level communication through NCTC via this web portal at the secret level.

Rather than creating competing websites or portals, DOJ, DHS and the DNI have agreed to make NCTC Online (NOL-S) the SECRET-level repository for all terrorism-related products written by NCTC, DHS, or FBI, whether issued as single-agency, joint, or fully-vetted community products.

### **Staffing**

The FBI has assigned 80 agents, 88 analysts and 22 specialized support personnel (language/financial experts) specifically to fusion centers across the country. Our US Attorney's Offices, DEA and ATF also assign agents and anti-terrorism personnel to sit in fusion centers part-time.

Having Federal agents and analysts sitting side-by-side with the locals helps everyone. They are sharing information sources, they are learning new operating methods and most importantly, they are prioritizing in a joint manner so that certain crimes are the focus of attention, based on the needs of the local community/region.

### **Conclusion**

I would like to leave this committee with one final thought. Validating a negative is just as important as proving a positive. Said differently, building an integrated network of fusion

centers will enable local decision makers to quickly know if an event is local or national in scope. The central hub in each State will communicate with other hubs, so that forces can be mobilized or relaxed; based on facts gathered and shared in a controlled manner.

Fusion Centers are doing this every day. We in the Federal government must empower them, leverage them and help them build their capabilities. We feel we are doing this, constantly improving what we do in partnership with the locals who run **their** fusion centers. There is much work to be done, but we have made great progress so far and look forward to providing Congress with updates on our progress.

Thank you for your time this afternoon. I will be happy to answer any questions you have.

I would like to thank Chairman Pryor and Ranking Member Sununu and the members of the subcommittee for inviting me to provide comments today. The fusion center program is crucial to detecting any terrorist activities designed to jeopardize the safety of our citizens.

My comments today are based on my experience managing the Maryland Coordination and Analysis Center (MCAC), Maryland's state fusion center. Over the past two years, I have learned a great deal about the intelligence community and the role fusion centers should play in that process. The level of information available to state, local, and tribal partners is unprecedented in volume. The flow of this information is also greatly improved. One of our greatest challenges is to expeditiously process the profusion of information to determine what is useful to our consumers. State and local public safety officials require a great deal of information on threats and the mechanics of the threats. Managing the information flow is only one challenge for fusion centers.

This is a highly dynamic process. We constantly adjust and refine our procedures to ensure maximum information relevance for our consumers. Local training for our analysts is key to achieving this end. We must teach each analyst to more efficiently glean any and all relevant data for their consumers. Federal training programs can be beneficial, but usually take an analyst away from the job for an extensive period and are not necessarily geared to the local level. We need to develop specialized training for state and local analysts that can be completed in segments and/or using a multifaceted method of instruction. It is also imperative that we make our federal partners understand that access to information does not necessarily equate to sharing information.

Another facet of this process is to educate state and local managers about what information they need and what they can expect from the fusion centers. Many state and local managers narrowly seek only tactical information, while ignoring a broader strategic analysis that could benefit their agencies. The intelligence cycle and the information they could receive is still unclear to many of these decision makers.

Collection of information is another challenge for the local jurisdictions. In Maryland we realized that we were not capturing information from areas that were not in the Baltimore Metropolitan region. To counter that lack of information flow, we developed a regional plan. We currently have three regional centers operating in Hughesville, Salisbury and Frederick Maryland. We are working with local officials to open another center in Allegeny County and possibly another center on Maryland's Eastern Shore. These centers were designed much like our main fusion center. Each center has a governance board comprised of Chief Executives of participating agencies. The governance boards are meeting monthly at this point to determine the direction of the centers and discuss policy for the centers. Control of these centers is maintained locally and they are networked into our main center. The value of these centers is collecting local information that will

benefit the participating agencies. These centers, outside the metropolitan area, act as a hub to collate information on local criminal activity and pass the information to the MCAC. It also allows our main center to look for trends and patterns throughout the state and pass federal information back to these communities. Critical information is passed daily and we are gathering information to coordinate monthly reports which will add value to the entire process. The regional centers add value to the agencies within their area by providing crime information and identifying local patterns. They are tracing criminal activity and participants and looking for travel patterns within their communities and helping solve criminal incidents by linking associates and acts. The information they develop can then be analyzed by our main center and matched against federal information or simply passed into the intelligence community via intelligence reports. Fusion centers will play a critical role by detecting criminal activity which may reveal precursors to terrorist activity.

The additional critical role fusion centers will and are fulfilling is a conduit to pass information quickly between states so the information is available to first responders when they need it. Fusion centers are poised to detect precursors to terrorist activity. They allow for a vigorous exchange of information on breaking events among first responders nationwide. Shootings at Virginia Tech and Northern Illinois University are recent examples. One of the first issues addressed is establishing if there is a link to terrorism. Obtaining and providing accurate information is essential to the role of fusion centers. Fusion centers need to act as a hub of information as well. Places where information can be reported and take the responsibility of passing it to first responders and others that need the information. Fusion centers are sharing more time sensitive information about organized criminal activities, gang-related activities and other information that previously may have only been shared in response to a specific request. It also gives investigators a point of contact within each state or region to connect investigators that have specific information requirements. Investigators from outside Maryland only need to call the fusion center to either obtain information or be connected with someone who will be able to provide information.

Our next largest challenge will be deciding what information and capabilities a fusion center should provide. Last year I sat on a committee that developed a draft of baseline capabilities for fusion centers. This draft was meant to develop some core capacities and to provide some guidance as to the capacities that the group thought would be important for fusion centers to meet. The baseline capabilities were meant to be obtainable by each center and provide some direction on where they should develop. The criteria for the baseline document was developed based on what would satisfy current gaps and would benefit first responders with a statewide information sharing strategy. Some of the baseline capabilities represent a challenge for many of the centers. My center has not met

all of the baseline capabilities recommended in the draft, it was not meant to define a fusion center, rather to provide a template for a fusion center to follow to adopt a core capacity that can be standardized across the country.

The baseline capabilities draft provides another measure to determine how fusion centers will carry out their missions. Some of the capabilities are readily obtainable, like having a clear mission statement in writing. Others, such as having a statewide standard for reporting suspicious activity may take longer for local and state officials to obtain. This may involve developing coalitions and investing money to make reporting more standardized and capturing the data in a searchable database. However, I think this document is extremely important for fusion centers. It not only gives an outline to fusion centers of where they should be developing capacity, but it provides goals for them to reach and provides a means to measure success. By reaching these capacities the fusion centers will demonstrate their value to local communities. As we have developed we continue to learn how we can add value to our communities and consumers so these baseline capabilities may expand as we move ahead.

Once the baseline capabilities are accepted and adopted, fusion centers will know where to focus efforts to develop core capacities. The next step will be funding the core capacities. Once a measure has been developed, then the value of each center can be assessed. However, without a consistent funding stream some centers may never attain the core capabilities. My own center depends on Homeland Security Grant Program Funds and Urban Area Security Initiative Funds to operate our center. State and local funding comes from the assignment of detailed personnel to the center. However, this funding stream is still left to the discretion of the Governors. Thus, in some states none of the funding is used for fusion centers, in others funding may be limited or inconsistent. This year, my funding has not been released. Aside from funding contractual analysts, I have no funds to spend on operational needs. This makes planning and developing baseline capabilities difficult. Truly, one of the most valuable steps Congress could take is designating some of the Homeland Security Grant funding be spent directly on fusion centers tying it to development or sustaining core capacities.

The next step is using the core capacities to benefit the operational components within the states. Baseline capabilities require a statewide threat assessment listing vulnerabilities and gaps from which prioritized collection requirements can be derived. Once the centers develop prioritized information needs, they can clearly communicate that to collectors. Collectors will then report back to the fusion centers enhancing the capacity of the state to detect potential precursors to terrorist activity. This should then be the focal point for federal agencies to synthesize their intelligence with any intelligence gathered on a local level. This is not happening. The FBI's Joint Terrorism Task Forces have been reluctant to integrate fusion centers into their intelligence gathering operations. Instead, they continue to rely on state and local task force members to relay information to their

agencies. This compartmentalization of information gathering and sharing is counter-productive and counter-intuitive to the fusion center concept. Without the full cooperation of our intelligence gathering agencies, the effectiveness of our fusion centers and thereby the safety of our citizens will always be compromised.

We have made strides in the area of developing linkages to federal information streams. The Department of Homeland Security, Intelligence and Analysis Division, headed by Undersecretary Charles Allen is proactively moving forward. Over the past two years the development of a Homeland Security Information Network State and Local Intelligence Portal Community of Interest (HS SLIC) has become a vital link and extremely beneficial tool for the fusion centers. The SLIC advisory board with one representative from each state, approves membership to the portal which ensures data is being shared with appropriate audiences. The connectivity of the states within this portal is very effective and allows members to exchange information within a secure environment.

In addition, Mr. Allen has incorporated an advisory board of the vice-chairs of that portal to advise him on issues regarding information sharing that need to be addressed. This advisory board incorporates all of the regions involved in the portal, thus giving each fusion center a pipeline to voice concerns or needs regarding information requirements. It has also allowed unit supervisors in the Intelligence and Analysis Division the opportunity to see the types of questions fusion centers are asking and provides a way for the units to interact with fusion centers to address their needs. The most important piece of this is establishing an open dialogue that allows the fusion centers to have a voice in how we can interact with federal agencies. This concept should be emulated with all of the federal intelligence agencies. An open dialogue will allow us to solve issues more quickly and with better results than having any one agency design a plan that they think will address needs, but not receiving input from the consumers of their product.

Another aspect of the core capacities was to benchmark the centers to determine how successful they have been. This has been a segment that is difficult to measure. Much of the information that comes into the fusion centers that is terrorism related is pushed to systems that are linked to the JTTF. Once the JTTF opens a case and investigates the information, it can either move forward as a classified case or be closed. This information is generally not reported back to the fusion centers. Other bits of information may not fit anything and may only be entered into a database. The fusion center may never know whether any of the information played a significant role in an investigation. Thus most of the success stories from information sharing have been anecdotal. We can quantitatively measure factors like how many calls are received per day, how many information requests are processed daily, the number of products produced, etc. However, I am not convinced that these measures will give you the true value of the centers or provide an accurate picture of their capabilities. Fluctuations in these measures would be of limited value because we may not be able to identify reasons for the changes.

The concept of fusion centers is extremely valuable. The inclusion of fusion centers in the intelligence enterprise is a necessary component because it ties local information into the threat picture. We have already seen successes with the centers merely by the ability they have to link states and how quickly they share information in that realm. The next steps for fusion centers hinge on funding. There needs to be a sustainable stream of funding to support the core capabilities. Congress should allocate money through the Homeland Security Grant Funding earmarked for fusion centers. Congress should require that fusion centers demonstrate that they are incorporating multiple agencies and serving multiple communities. They should further be required to demonstrate that they are adding or improving information sharing within their state or region. Congress should have frequent contacts with state and local fusion center directors to hear how the information sharing needs of communities are being met and that federal partners are active participants in the process.

On the state and local fusion center side, we need to come together and form a representative body with national participation to address Congress with one voice. A group similar to the Major Cities Chiefs Association should be developed so the many issues can be presented to you in a coordinated, cohesive way.

Thank you for allowing me to address the sub-committee and I would welcome any questions you may have.

Captain Charles W. Rapp

Director

Maryland Coordination and Analysis Center

April 17, 2008

**Statement for the Record**

**of**

**Jack Thomas Tomarchio  
Deputy Under Secretary for Intelligence and Analysis  
U.S. Department of Homeland Security**

**Before the**

**United States Senate  
Committee on Homeland Security and Governmental Affairs  
Ad Hoc Subcommittee on State, Local and Private Sector Preparedness and Integration**

**Focus on Fusion Centers: A Progress Report**

**April 17, 2008**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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