

The Economic Club of New York

The Honorable Thomas H. Kean, Chair
National Commission on Terrorist Attacks
Upon the United States
The 9/11 Commission

The Honorable Lee Hamilton, Vice Chair
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The United States
The 9/11 Commission

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Questioners: Paul Gigot, Editorial Page Editor
The Wall Street Journal.

Ambassador Richard McCormack, Senior Advisor
CSIS, Center for Strategic and International Studies

Introduction

Chairman Barbara Hackman Franklin

We're especially pleased to have as our guests of honor this afternoon Thomas Kean and Lee Hamilton, the Chair and Vice Chair respectively of the National Commission on Terrorist Attacks Upon the United States, the 9/11 Commission. In late 2002, Congress and the president created the bipartisan commission to investigate the facts and circumstances behind the September 11th attacks. It was also charged with recommending ways the nation could guard against future attacks. This sweeping mandate obviously called for exceptional leadership, especially in light of America's partisan divide. The two men chosen to lead this 10-person panel admirably fit that bill. Both are widely respected for integrity, fairness, good judgment, and intellect.

For over a year and a half, the Commission reviewed two and a half million pages of documents, interviewed more than 1,200 individuals, held 12 public hearings taking testimony from 160 witnesses. On July 22, 2004, the Commission released its public report. It became a bestseller and it's worth reading for its comprehensiveness, its clarity, and its detail. Congress is currently considering the Commission's recommendations and literally as we speak the Conference Committee is meeting and our guests were on the phone, I believe, with Senator Collins just before we emerged into this room.

So now to the first speaker. For the past 14 years, Tom Kean has been the highly successful President of Drew University, one of America's most admired small liberal arts universities. New Yorkers came to know him well during his eight years as Governor of New Jersey during which time *Newsweek* named him as one of the five most effective state leaders in the nation. New Jersey's voters seemed to agree with that. His 1986 reelection was by the widest margin in that state's history. Before becoming governor, he had distinguished himself during ten years in the New Jersey Assembly rising to the positions of Majority Leader, Minority Leader, and Speaker.

While President of Drew, he's been called on to serve on a variety of national commissions and committees, and in 1988 authored a book with what is now a timely title, *The Politics of Inclusion*. This is his second appearance before the Economic Club. The first was in 1989 when he was governor. Governor, welcome back. (Applause)

The Honorable Thomas H. Kean, Chair

National Commission on Terrorist Attacks Upon the United States, The 9/11 Commission

Barbara, thank you very much and thank all of you. I'm delighted to be back here with you and honored to be back here with you. I might say that when I first got that call asking me to do the job as chairman, my inclination was to say no – for a number of reasons – chiefly being I didn't see how it could work. We didn't have enough money. We didn't have enough time. It was a

commission that was appointed – five Republicans and five Democrats most of whom I didn't know – in the most partisan time in the nation's history, going into a very divisive presidential election. And then somebody asked me, can you think of a commission that did work? And I couldn't. But I said yes for the same reason a number of you might have said yes. If you live in this area, you probably lost some close friends. I did. So when you get asked to do this kind of a thing, you say no.

So we did, got started, started hiring the staff, doing all of that. And thank goodness, when I got down to Washington, I ran into Lee Hamilton because the kind of bipartisan tone that we were able to set, the kind of reasonableness with which we negotiated, the way we brought our fellow commissioners together, and the way the report was written frankly, just would not have been possible without Lee Hamilton. Lee will never tell you this himself because of the kind of person he is, but we would never have had the success we've had – not even close – without the work of Lee Hamilton. So I want to thank you as I've thanked you many times before for getting that job done.

We said, when we wrote our report, that before 9/11 we found a nation unprepared. We said in our report this was a failure of policy, management, capability, and above all, a failure of imagination. So our government failed us on that day in its important responsibility which was to protect its citizens.

Now, what did we mean? Well, first of all, if you look back to that day, what we had was a number of things that happened that had been done to us already by Islamic militants starting with World Trade Center One where they tried to kill a quarter of a million Americans – that was the target. They had also plans for the Holland and Lincoln Tunnel. Black Hawk Down in Somalia was also Bin Laden-financed – he was involved in that – the Bojinka plot where they tried to blow up ten airlines and kill 4,000 additional Americans flying in the West Coast.

In the middle of that, Bin Laden issues a fatwa and says it's the duty of every Muslim to kill every American regardless of whether they're military or civilian, and then they went ahead and did it. They attacked our embassies in Nairobi and Dar es Salaam and killed some Americans. And Bin Laden, when asked about it, he says if killing Jews and Crusaders is a crime, then I'm a criminal. And then of course he went to the Millennium Plot where they tried to blow up the Los Angeles Airport, the Jordan Plot where they tried to blow up a tourist hotel, the U.S.S. Cole where 17 American sailors were killed.

Bob Carey, who was a member of our commission said, you know, when he put all of this together, said if anybody had put this together for us, if anybody had told us that all these things were linked and it was the same Islamic militants, then we would have done something. The Senate Intelligence Committee, the Congress would have done something. Probably the administrations would have done something. But nobody, for whatever reason, put it all together. It's easier in hindsight. We were not thinking at the time, if you look at the election of 2000, that

whole election with all that verbiage, our staff was only able to find one reference to the problem of terrorism, in that whole business.

And the plot was a long time in planning. I mean as you probably have read, Bin Laden, when talking about the plot, the first plot which was by the original plotter, they talked about trying to do buildings on the West Coast and the East Coast and a nuclear plant and a number of other things. This was cut down because Bin Laden said, you know, that's too much. We can't pull that off. So they didn't. They cut it down and the result was the so-called Planes Plot which we got. But there were the failures, a number of failures here – a failure of intelligence we know about, a failure of diplomacy. We tried again and again to work with people to get Bin Laden out of Afghanistan.

We failed again and again and again to do it, negotiating with the Pakistanis, negotiating with the Saudis. That put pressure on. Negotiating with any number of people. We failed to try to capture him using tribes in the local area, trying to get him when he was visiting his various wives who were in compounds in the various areas. We failed trying to kill him, plotting to kill him with a cruise missile. We decided we didn't have, and Lee and I heard the term again and again, actionable intelligence. We didn't have that. So even though intelligence thought we had him a couple of times, the plot was never, we never really followed through because we didn't have actionable intelligence.

And it was a failure of communications. President Clinton and his advisors, including Secretary of State and National Security Advisor, was absolutely convinced that he had given orders to have Bin Laden killed. But the people operating in Afghanistan thought the order was capture, and capture was unrealistic, and really communications never got through. Terrible failures in the ability to share intelligence.

We had fellows called Hazmi and Mihdhar who had been involved originally in the Cole Plot and the CIA was watching them and they got them as far as a meeting in Kuala Lumpur and then they lost them when they went to Bangkok. Well, where they went after that basically is Los Angeles. And they were in their own names, got credit cards, went around California for a while, went down the coast, lived there for a while, and eventually became some of the hijackers. But because the CIA wasn't sharing information with the FBI, we never really zeroed in on them, never really put the dots together until after 9/11 when it was simply too late.

The same thing with Moussaoui. You know the FBI identified him as an Islamic militant trying to learn jumbo jets. He never wanted to fly a smaller plane, just jumbo jets. And finally they zeroed in on that, taught him, arrested him, told the CIA about it. Information went right up to the CIA Director. Never got to the FBI Director. It got stuck midway. Nobody talked about it. We asked the head of the CIA why didn't you do something about it when you heard about this? You didn't tell the president, you didn't tell anybody. He said that was an FBI matter. Well, it never got up to the head of the FBI, and again, lack of communication. They didn't share

information.

And failure of immigration policy. No question we should have stopped – 15 of the 19 hijackers had some problem with their passports or visas – should have been stopped somehow. They weren't. One good immigration agent in Orlando did do his job because he saw somebody, asked the right questions. Finally, the fellow said, well, somebody's waiting for me upstairs. And immigration said, oh, then we're clear up all these matters, bring him down, we'll talk to him. He said, no, no, I can't do that. The person waiting upstairs was Mohamed Atta, head hijacker. That fellow, because of one alert agent in Orlando, was sent back home again. He would have been the 20th hijacker had he gotten into the country.

But immigration failed on most of these, most of these people. Even on the day of there were failures of communication. If you want to feel chills – at least I felt chills – we were sitting in the Oval Office with the president and hearing the president tell me the communication system on Air Force One didn't work on that day, that he was out of touch for a number of times. And the fact that when the president and the vice president gave the shoot down order, the shoot down order didn't get to the Air Force. The Air Force never got that shoot down order. The president gives an order; the Air Force doesn't get it. And then, but there were some planes wandering around with a shoot down order, they were National Guard planes, and we said where did you get it? They got it from the Secret Service. So the Secret Service gave a shoot down order. That was listened to. The president gave a shoot down order, didn't get through. All sorts of failures.

And again some failures that we know about all too well in this area on the day of 9/11.

We found these failures again and again and again in a number of areas. We have made recommendations that we think are enormously important to make this country safer. And I think at this point I'll sit down and let my colleague talk about those. (Applause)

Chairman Barbara Hackman Franklin: Thanks Tom. Thanks very much Tom. That certainly sets the stage and gives us a feel for what you were dealing with in terms of the facts. Lee Hamilton, Lee Hamilton is now President and Director of the Smithsonian Institution's Woodrow Wilson International Center for Scholars. The center is an intellectual haven in Washington where scholars, policymakers, and business leaders can think and reason together on public policy issues. It does a fine job. I know it well.

He came to the center after a long background as one of the most respected members of Congress equally so on both sides of the aisle. He represented Indiana's 9th District for 34 years. While in Congress, at various times, he chaired the House Committee on Foreign Affairs, the Permanent Select Committee on Intelligence, and Joint Economic Committee, and a variety of others. He has remained an active, closely heeded voice on foreign and security affairs, earlier co-chairing with former Senate Majority Leader Howard Baker a special commission to investigate the security issues that emerged a few years back at Los Alamos. It is a great pleasure to welcome former congressman, Lee Hamilton. (Applause)

The Honorable Lee H. Hamilton, Vice Chair

National Commission on Terrorist Attacks Upon the United States, The 9/11 Commission

Thank you Barbara. Thank you very much Barbara. We had a Speaker of the House some years ago who sat up in the chair of the speaker, would get irritated with the debate and would come down on the floor. Someone on the other side of the aisle would provoke him and he would say, I hold the gentleman from Iowa in minimum high regard. (Laughter) I want you to know that as members of the Economic Club of New York, I hold you in maximum high regard and I'm delighted to be with you this afternoon.

Tom was very generous in his comments to me, but let me just say that in my judgment Tom Kean is one of the finest public servants of my generation. The fact that we were able to reach a consensus is his achievement. I don't know how you reach a consensus on difficult matters – we made 41 recommendations – without talking and talking and talking and talking. And Tom is a very patient man, much more patient than I am, and to him belongs the credit for the singular achievement of a unanimous report.

Now I'm going to talk for just a very few minutes about how to put together an effective counter-terrorism strategy. It grows out of the report. And I'm going to talk about the four I's. The first is identification. The second is intelligence. The third is integration. And the fourth is international.

I'll try to be brief, Barbara, and stay within my time limits here.

First, identifying the threat so that the strategy can be designed to confront it. Secondly, getting better intelligence so that we can prevent attacks. Third, integrating all of the tools of American power. And fourth, getting international cooperation because every single act that you take in counter-terrorism is strengthened if you have international help.

The first question is how do we identify the threat? Who is the enemy? Not quite as easy a question to answer as you might think. We struggled with it quite a bit at the commission. I picked up one of our prominent newspapers the other day and just for my own amusement I kept track of the manner in which they described our enemies. In one issue of one paper – terrorists, foreign fighters, insurgents, Iraqi nationalists, Al Qaeda affiliates – to name just a few. And while we speak of a war on terror which suggests that we are at a war against terrorism everywhere, from Colombia to the West Bank to Sri Lanka, it is not easy to define the enemy.

In the report, we defined it two ways. Number one, Al Qaeda, familiar to you of course the stateless, terrorist network that brought about the events of 9/11. Number two, the radical ideology inspired in part by Al Qaeda that has spawned terrorist attacks across the globe. We believe that Al Qaeda did have, as Tom laid out, a remarkable ability to adapt and to survive.

Today, we think it's morphed into a highly decentralized organization. Osama Bin Laden is

almost certainly not directing the attacks that have taken place across the world from his hideouts, but the attacks continue – from Istanbul to Jakarta, from Mombasa to Madrid. The second enemy is the ideology of radical Islam. And we believe that that's a very dangerous enemy and we described it as a grave and gathering threat.

So to put together a strategy to deal with the enemy, we identified, first of all, dismantling, killing, capturing if you would, the Al Qaeda network. Number two, prevailing over the ideology that gives rise to Islamist terrorism – I'll say more about that in a moment – and protecting of course against terrorist attack. So identifying the enemy is number one. Number two is intelligence. I think everybody agrees that the single most important tool you have to prevent terrorism is good intelligence. On the 9/11 Commission we found that the United States has a remarkable number of highly talented people in the intelligence community who do outstanding work, very patriotic people, and who have extraordinary capabilities. But before 9/11, there was no place in the government where our intelligence on terrorism was pooled together. And the tragic story of 9/11 is the story of failure to coordinate, share, analyze, and act on information.

We organize our intelligence community today along the lines of the manner in which we collect the intelligence – intercepts, human intelligence, satellite intelligence, and 13 or 14 other different intelligence agencies. And often we asked ourselves why agencies did not act jointly, why there was such stovepipes that information was not shared, why that office in Minneapolis did not get the information to the FBI Director about Moussaoui's activities, why no one was in

charge. We asked again and again the question, who's in charge? Nobody brought all of these bits and pieces of information together and said I'm in charge, I'm managing this case. We had too many stovepipes. Not only was information not shared vertically as with the FBI case, it was not shared horizontally either, and no one took charge. And we paid a very heavy price for that.

So we recommend then a number of things that can be done to improve the operation of intelligence. I'll not go into those in detail. You're probably familiar with them – a National Intelligence Director, a National Counter-Terrorism Center, new systems of information collection and analysis, pooling the information, sharing horizontally as well as vertically the information we have, a robust intelligence oversight by the United States Congress, and a number of other recommendations. Good intelligence alone cannot make us safe, but it supports every step that we take toward our goal.

So the first point is identification. Make sure you know who the enemy is. Devise your strategy to meet the challenge of that enemy. Number two; get the very best intelligence that you can. And in our view, that means we've got to do some reorganization of the intelligence community because it did not work prior to 9/11.

The third point is integration. There isn't any silver bullet that can defeat the terrorists, and that is why you have to integrate and balance all of the elements of American power. Surely you need military force to strike when you have to. Surely you need good intelligence. But it was our view

that force alone will not curb the threat of terrorism. You need a diplomacy to build and maintain a coalition of nations. You need law enforcement to track down terrorists at home and abroad and to prosecute them. You need covert actions to disrupt and to dismantle terrorist networks. You need public diplomacy to vigorously explain our policies and promote our ideals abroad. You need foreign aid to bring hope to the hopeless. You need an economic policy that will spread opportunity and prosperity. You need financial action to track or disrupt the terrorist funding. You need border security to intercept the terrorists in transit. And you, of course, need homeland security to secure our infrastructure.

Integration is the key. You cannot win the war on terrorism by only looking at one facet of American power. What we have to be able to do is use all of these tools of power, to balance them and integrate them so that they can be effectively deployed. You cannot have border agents that do not know who they're looking for. You cannot have first responders who do not know what attacks are coming. You cannot have aid workers who do not know our diplomatic strategy. You cannot have law enforcement officials who do not know what the intelligence reporting is.

The fourth point is international cooperation. Just as you have to integrate all of our efforts at home, you have to integrate our efforts internationally. We confront an enemy that operates in the cities of Europe, the deserts of Africa, the islands of Southeast Asia, and the mountains of Afghanistan and Pakistan. We cannot possibly root that enemy out all by ourselves, and we need to have a sustained counter-terrorism coalition cooperating bilaterally and multilaterally on a

range of issues which I've already identified. You cannot secure your own skies without securing international aviation. You cannot track down terrorist financing without working with foreign banks. You cannot get the best intelligence without intelligence reporting from international partners. And you cannot build the peace in countries like Afghanistan without some help.

One other point on the international aspect, we also need an international consensus to reach out to the world's Muslims. This is a very difficult, long-term job, and this is one of the reasons we say that the challenge is generational. My own view is that one of the great challenges to American foreign policy in probably the decades ahead will be to avoid a clash of civilizations with a Muslim world of 1.3 billion people.

You know and I know that millions of Muslims grow up lacking political freedom, lacking economic opportunity, and lacking hope. You know that a vacuum in education sometimes means that the only option to parents is the Madrassah that preaches radical Islam and a hatred of the United States. You know that the unemployment rate in many of these countries for young men exceeds 50%. You know that the governments of many of these Muslim countries, including U.S. allies, repress their populations and deny them political participation.

The question then is how do you reach out to these people. And we believe you cannot wage an effective war on terror if you do not help in some way this huge population have a better future. Now I don't, and we did not, fool ourselves there. The principal responsibility obviously must

fall upon the Muslim governments themselves to improve the lives of the people. But somehow the United States must convey that we want for them a better life, opportunity, and hope. And we have a message that we think is one of life and progress and hope and we think the message of the terrorists is one of death and destruction and regression. And so we need to put together an agenda of opportunity, a better vision, and convey to these masses who may admire Osama Bin Laden, may reject his tactic of violence, who may not, probably do not like the United States for a lot of different reasons, and we think that there are no quick fixes here, that it's a long-term project for American policy, a generational challenge. But we also think that we will be far stronger in that effort if we have the support of many other countries around the world. The terrorists threaten all of us and this is not a battle that we can or should have to fight alone.

Thank you. (Applause)

QUESTION AND ANSWER PERIOD

CHAIRMAN BARBARA HACKMAN FRANKLIN: Thank you. Thank you, Lee, for so clearly laying out the strategy and what our nation needs to do. So thanks to you both. And now we will turn to our two astute questioners. On this end of the dais is Paul Gigot, the Editorial Page Editor of *The Wall Street Journal*. And on that end is Ambassador Richard McCormack who is Senior Advisor at CSIS, Center for Strategic and International Studies, a think tank in Washington. So for the first question, I'm going to call on Dick.

RICHARD MCCORMACK: Thank you very much. I want to thank both of our presenters here for an outstanding report and for an outstanding service that you did to the entire nation. Your report demonstrated a degree of complacency and a degree of failure to communicate that is shocking and one that no one who ever reads that report will ever forget. Within the last three years since your report has occurred, a number of the recommendations that you have made have, in fact, been implemented. The Patriot Act pushed aside some of the legal barriers between inter-agency cooperation and a number of other ad hoc measures have taken place which means we have a far greater degree of cooperation today between the various parts of our services. The question is what really remains to be done in your view to finish this job? Thank you. And this is for the congressman.

THE HONORABLE LEE HAMILTON: Dick, I thought we had an arrangement for the tough questions to go to Tom here. You're right. I think a lot has been done since 9/11. And if you talk to the FBI Director and the CIA Director and all of the other national security people, they'll tell you about meetings that take place across agencies, sharing of information that did not occur before. They've been very good really in recognizing the problems that we identified. They helped us identify those problems, and I think a number of steps were taken. Your use of the word ad hoc, though, is the key. These are ad hoc arrangements. And ad hoc arrangements in the United States government don't work long. It depends on the personalities involved. And what we believe has to happen is institutional change. You may be able to get very good cooperation, as I think you do, between Secretary Rumsfeld, previously Director of Intelligence George

Tenet, and now Porter Goss, and between Bob Mueller at the FBI and others – that seems to be working reasonably well. What is not so clear is that the cooperation at the top permeates down through the institutional structure and that can only come about with legal changes and institutional change which has to be put into legislation.

PAUL GIGOT: Thank you. I'd also like to second the Ambassador's congratulations to the authors and particularly on the prose in the report. It's simply the best written report I've ever seen from the government. (Applause) But you knew there would be a curve ball after that. One of the conclusions in your report, as the Governor put it, was that there's a lack of imagination among intelligence services, and I think your narrative makes a compelling case about that. But to prevent that from happening again you have proposed to centralize the management of intelligence under the National Intelligence Director with budgetary and decision-making power. Now a number of very prominent people who have served in government have raised an objection to that proposal and I include Henry Kissinger, David Boren, Bill Bradley, Robert Gates, William Cohen, George Shultz, and a number of others. They've criticized it on the grounds that by centralizing that authority, you are going to produce more conformity, not less, and end up giving the decision makers fewer options, not more. In a word, you'll get less imagination under that kind of centralized reorganization. I wonder if you'd respond to that, Governor.

THE HONORABLE THOMAS H. KEAN: Thank you for the first compliment. (Laughter) We

believe honestly that groupthink which is a real problem in government as a whole and in the intelligence community in particular, that groupthink was what was there before, that groupthink is there now. If you want to find a real example of groupthink, look at the situation in Iraq. I mean these people all came to exactly the same conclusion about the weapons of mass destruction and then reinforced each other without listening to some of the people who were out there saying something different. We believe that if you bring these counter-terrorism centers under that, to bring all the agencies together, that the point of view of the National Intelligence Director, who has been recommended, by the way, for government commissions way back for probably 30 years of people recommending such a position, that that will not encourage groupthink, that he will get a number of different perspectives coming from the various agencies. But instead of having some of the agencies out here in left field, they'll be together at the table, that they will be able to present the various alternatives, that we'll get a better range of thinking on policy. What you will get then is a coordination. You will get everybody bringing, in a sense what we call the dots, all the dots will come to the table and be connected. And when we want to have a centralized policy with a general direction, that there will be somebody in charge. Leave nobody in charge. That was what we got again and again and again. Things would go up one agency, go up another agency, and then they'd stop somewhere. Never shared. Nobody was in charge of a case. Nobody said with what's happening in this area, we ought to bring everybody together and let's look at this hard. There wasn't anybody to do that. And we believe with a National Intelligence Director there will be and we think things will be better.

THE HONORABLE LEE HAMILTON: Paul, may I add to what the Governor has said. First of all, the people that you cite, we have to have a great deal of respect for them because they're extremely able national security people. And we talked to most of them, I think, in the course of our discussions. The key point here is how do you best get competitive analysis within the intelligence community. We put forward our recommendations. I don't know that we've got the Ten Commandments here. We recognize that there are an awful lot of very smart people down there in Washington and these are very tough problems, how to organize the intelligence community. The point I simply want to emphasize, Tom made, is that we believe that you will get more competitive analysis if you share information widely than if you don't share it. And if the guy who collects intelligence over here from intercepts and the person who collects intelligence from human sources and the person who collects from signal intelligence, etc. down the line, if they're not talking to one another and sharing information with one another, then you get a rigidity. More information, more widely shared will produce more competitive analysis. The other point to make here is, look, there's no substitute for good people. I mean I don't care how you organize government, if you don't have people of integrity and ability there, they're not going to get the job done. But we think the organization must not stand in the way of good people doing their work. Your question is a very important one. We think we have a good approach to it. We've made our recommendations, but we recognize others have important things to contribute.

RICHARD MCCORMACK: I have a follow-on question for the Congressman on this very point.

You rightly cite the dangers of groupthink, but let me tell you the concern on the other side of the equation. The closest thing we had to a National Intelligence Director, a man who was very politically close to the president, in my memory was Admiral Turner. Now Admiral Turner was first in his class at Annapolis. He was a classmate of the president. He was a lifelong friend of the president. The president had absolute confidence in him and he made him Director of the CIA. He had complete access to the White House, complete access to the president. But unfortunately this very smart man had some terrible blind spots. He became convinced that spies were redundant in the world of satellite communications and intercepts, and he decided that he would slash away at the clandestine service and he did so successfully and no one could stop him. Theodore Shackley, one of the most respected men ever in the service resigned over the point, and Ted was no more than a speed bump. And then, of course, we had the catastrophe in Tehran with our embassy being seized. We had the problem in Afghanistan of the Soviet invasion, and we had to completely rebuild the clandestine service. So the question I have to you is if you build an all-powerful czar in the White House, a man, part of the White House team, very close to the president, how do you deal with the problem of the man's biases when he begins to make some mistakes and you simply can't stop him?

THE HONORABLE LEE HAMILTON: Tom, I was hoping you would take that one. Well, I think the principal point really is that you don't want an all-powerful, a single person, and we don't advocate that. We simply want a person that has available to him or to her the best information we have collected from all kinds of sources – both foreign and domestic – in the

manners which I've already described. With regard to the clandestine service, Dick, you put your finger on a very important problem. If there's any conventional wisdom in Washington today, it is that we've had a deterioration of the clandestine services – the spies – and that they need to be strengthened, and the Commission absolutely agreed with that. And we heard George Tenet testify that it's going to take us five years to build it up. We were all disappointed to hear that, but I suspect he's probably right about it. But I want to say a couple of things about human intelligence. One is that penetrating the cell of an Osama Bin Laden is the most difficult intelligence target in the world and you don't do it with a lot of fancy satellites and imagery. You do it with human intelligence as you've emphasized. But all of us have to have an appreciation of how tough that job is. You cannot take the guy from Indiana like me with a burr haircut and expect him to penetrate the cell of Osama Bin Laden. (Laughter) And so we say that you've got to have a lot of diversity in the intelligence community and that means more than just white males. It means people that speak Farsi and Pashto and a dozen other languages that I can't pronounce and they have to be highly trained and they have to be able to penetrate some of these cells. You're not going to do it with most of the people that we have had in this service. And another point is this, how many people do you know who are willing to give up 10, 20, 30 years of their lives living in the most dangerous circumstances in the world, subject to being captured and killed at any moment, and we pay them \$80,000 to \$100,000 a year? I don't know very many people in that category. And yet that's the kind of person you have to recruit here to do this work. What I've said is not in any way to minimize human intelligence. It is enormously important – I think Dick's perspective on it is correct – we cut it back way too much. We're

paying for that. We've got to build it up now. But no one should have an exaggerated expectation of how quickly that can be done and how difficult – they should have an expectation of how difficult it is to do.

THE HONORABLE THOMAS H. KEAN: (AUDIO ENDS AND BEGINS AGAIN) was the reform of the military. There was a time, as you remember, when the military had a lot of problems and the Reorganization Act was passed and the Joint Chiefs were created. Our model was that, was that Act basically. Not to create somebody who was all-powerful but somebody who would be a coordinator, somebody who could, the same model as the Chairman of the Joint Chiefs of Staff, and would report directly to the president. That was the Act we actually used in our discussions.

PAUL GIGOT: By most accounts that I've read, one of the recent American intelligence successes has been its application, the application of intelligence to the battlefield. We saw that arguably in both Afghanistan and in Iraq. And Chairman Myers of the Joint Chiefs has said publicly that your proposal to remove budget authority to the National Intelligence Director from the Secretary of Defense might well jeopardize such combat support operations. And, of course, this question is at the center of the House and Senate Conference Committee debate right now as you know. I wonder if you would respond to General Myers' concern.

THE HONORABLE THOMAS H. KEAN: Yes, absolutely. Nobody who is discussing this

whole question – certainly not the commissioners – want to do anything to jeopardize anybody on the battlefield and wouldn't. And we can't imagine anybody being appointed who would want to do that in any way whatsoever. The problem is that if you have 80% of the intelligence budget controlled by the Defense Department and so oriented that way, remember there were three times as many people killed on 9/11 who were civilians, than have been killed yet even in Iraq. We've got to have in our minds a balance here where people are also concerned with the safety of the civilian population of the United States. And I don't think that has to be done at the expense of the military in any way whatsoever. The way we've set it up or tried to set it up, or recommended it be set up has direct responsibilities from the Secretary of Defense. I think that's the reason the president is supporting our recommendations. I don't think the president, certainly this president, would support any recommendations which he felt in any way was going to jeopardize people in the field. But we don't think these will and we can't imagine anybody taking this position would do anything to jeopardize the war fighter. Lee...

THE HONORABLE LEE HAMILTON: Let's first of all be very clear who is supporting our proposals or the concepts? The President of the United States is supporting them. The leaders of the Senate are supporting them. The leaders of the House of Representatives are supporting the basic framework and the basic concepts put forward by the 9/11 Commission. The dispute, as Paul correctly says, is over what kind of powers you give to the National Intelligence Director and that's really the core of the difference now in the Conference Committee that is pending. There are two kinds of intelligence in very broad terms. There is the military or what they call

tactical intelligence. The Commission made no change whatsoever with regard to military tactical intelligence. The Army has their intelligence, the Navy has theirs, the Coast Guard has theirs. That's not changed in any way. There was no suggestion in our report that it would change. The other kind of intelligence is national intelligence or strategic intelligence. The war fighter is one equity that you have to take into account. And as Tom has said, nobody wants to deny the war fighter the intelligence they need, but there's another equity here. And the other equity is the safety of the American people. And that means you have to have the highest quality intelligence flowing not just to the military people, but also to the policymaker. Now in the past, an overwhelming proportion of the budget has been controlled by the DOD, even those portions of the intelligence that really does not directly to the war fighter. What we're trying to do is balance that a little more evenly so that the military gets all of the intelligence they need and the policymaker gets all the intelligence that he or she needs. Understandably, Secretary Rumsfeld and General Myers are concerned about this. I told you it was a tough problem. It is a tough problem. And they have deep concerns about the possibility that they will not have the intelligence they want. We want to try to meet those concerns as best we can but we cannot accept the position that the military should make the decision as to intelligence that flows to the policymaker. That is a very important equity. All of this comes down in the Conference Committee to how the money flows – through the Secretary of Defense, through the National Intelligence Director. Who has the power to execute? It gets very technical – a lot of details, but those details are very important. We are hopeful they can work this out to satisfy both sides and they're really not all that far from it. Barbara mentioned I talked to Susan Collins, Senator

Collins, who she and Senator Lieberman and Peter Hoekstra, and Jane Harman have done marvelous work on this thus far. And she was telling me just a few minutes ago how close they are getting together on this key point of National Intelligence Director.

CHAIRMAN BARBARA HACKMAN FRANKLIN: I think this is the last one. Dick...

RICHARD MCCORMACK: One of the smaller recommendations in your report have to do with the CIA's paramilitary operations. As you know, after 9/11 the president asked the CIA to organize an operation to deal with the Taliban and they did. They organized tribes and they bribed people. They mobilized irregular forces and they cut through that Taliban operation like a hot knife through butter. But yet your report advocates taking paramilitary operations out of the CIA and putting it into the Pentagon which has less of a positive track record in that area. How can you justify doing this since it's not broken?

THE HONORABLE LEE HAMILTON: We were not impressed with the ability of the CIA to conduct paramilitary actions prior to September 11. They tried it for years. Their fundamental mistake was they wanted to develop proxy forces for very elaborate campaigns and they did not work. Both presidents said to us that they felt they were limited in the options that they had because we did not have the capabilities that we needed. Now, Dick, this recommendation of ours is not the most popular one we've made as you may know and it's been rejected by a number of very, very good people. My view is this, and I think Tom would agree with me here.

It goes a little beyond the report. What you have to have is a military force in place, highly trained, that you are able to deploy immediately. We thought that with the expansion of the Special Operations Forces which has really been very significant under Secretary Rumsfeld, and in my view very important and very worthy, we thought they come closest to meeting that standard. What happens in the CIA is you've got somebody sitting over there who says we've got to have a paramilitary action. Somebody says, well, where do you find the military forces? And they begin to think about this, that, and the other, all around. It takes a long, long time to put it together. Presidents need a military force they can deploy forthwith and not fool around for several months putting one together. And that's why we think it ought to be in the DOD.

CHAIRMAN BARBARA HACKMAN FRANKLIN: I think we have time for one more.

PAUL GIGOT: Okay. Congressman, you mentioned earlier the importance of international cooperation. And several former directors of Central Intelligence have said that one of the advantages of their status, current status, within the United States government is that they have direct access to senior officials in other governments, not just to their intelligence counterparts but to Defense Chiefs, and even to Prime Ministers. By downgrading the CIA Director status in this reorganization, do you run the risk of diminishing that access to foreign governments and thus the benefit, important benefit of foreign cooperation?

THE HONORABLE LEE HAMILTON: Paul, there are risks any way you go. There is no move

you can take, adopting our recommendations or not doing anything, which doesn't have some risks to it. We think the risks are far greater if you do not make the institutional change and if you keep the status quo. So we think that the National Intelligence Director will have the kind of direct access that you're talking about. Anybody who has the confidence of the president – and you're not going to want anybody as National Intelligence Director who doesn't have the confidence of the president – is going to be able to have the kind of direct access that the CIA Director has. Now, we do not accept your use of the word downgrade. We think that, look; the CIA is this great, big, huge bureaucracy. They have an enormously important task. Anybody who has been out there to Langley knows how big it is. The CIA Director today has an absolutely impossible job. Nobody has been able to do it effectively. Top advisor to the president, running the CIA, and the nominal head of the entire intelligence community but without authority – budget or personnel. You can't do that job. So we said that what has to happen is that you have to put someone at the CIA – they've got a huge task in front of it, including putting together the clandestine services, getting more diversity into the CIA, getting more people who can speak all of these languages – that job is so big and so important it must be done by a person with authority over the CIA. But you cannot give the same person responsibility for 15 other intelligence agencies and also be the top advisor to the president on intelligence. That's one of the reasons we restructured as we did. We certainly do not want to diminish the ability of the top intelligence official to speak with his counterparts across the world.

THE HONORABLE THOMAS H. KEAN: Just very briefly, Paul, that's a good question, and

it's very good, an important one. But a lot of it depends on who those people are and what their relationships would seem to be with the president. And when the previous CIA Director traveled and did those meetings that you were talking about, they knew that this was a man who was very close to two presidents and was speaking for the administration. I'm a great admirer of Porter Goss. I think if Porter Goss, with his experience in Congress, in the national sphere and his relationship with the agency, would be designated by the president and go around to some of those kinds of meetings you're talking about, he would have that credibility and he would be respected in those conferences. If, on the other hand, the president chose – and this is so important – I mean we can do all the recommending we want of a National Intelligence Director – if the president picks the wrong person, or somebody without the prestige and intelligence and background and all the things you have to have, well, then nothing's going to work. But providing he picks the right person, and the president may want that person to move around in that area, but that's going to be up to the President of the United States. But Lee is right, if they're perceived as close to the president and have that kind of prestige, then I think they're going to be able to do the job you're talking about.

CHAIRMAN BARBARA HACKMAN FRANKLIN: Well, that's going to be the last word. I don't think I have ever heard a more far-reaching and insightful discussion of national security. Thank you both very much. (Applause)