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before the

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Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment

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Hearing on State and Local Fusion Center (SLFC) Plan

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

These centers—at which state and/or local officials work in close proximity with federal representatives to receive, integrate and analyze information and intelligence—encourage interagency cooperation and integrate intelligence into a system that can benefit homeland security and counter-terrorism programs at all levels.

The states have created these centers to meet their own needs. Most states used the Global Fusion Center Guidelines as a basis for this development. These Guidelines, issued a year ago, were a collaborative effort between State, local, and tribal government officials, the private sector, the Department of Justice, and ourselves. That issuance, under DOJ auspices, made recommendations about the centers' law enforcement role, governance, connectivity standards, databases and security. Revised guidelines were issued last month addressing the role of public safety officials and the private sector in these centers. This revised guideline document also recommends that the fusion centers prepare for future connectivity with other state, federal and local systems.

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

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

framework will enable more effective and efficient sharing of this information both at the Federal level (between and among departments and agencies) and with State, local, and tribal governments and private sector entities.

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

My plan is to embed in the centers intelligence professionals whose responsibilities shall include ensuring robust, two-way, information sharing. The plan was the culmination of meetings with representatives across the Department, with outside input as required. The plan was approved by Secretary Chertoff on June 7. As I execute this plan, I will be working closely with the Department of Justice, Department of Defense, and other members of the Information Sharing Environment to ensure coordination and integration of effort.

There are three guiding principles for our plan:

- First, build on existing DHS and Federal Agency presence and established relationships with state and local authorities. For example, an Immigration & Customs Enforcement, or ICE agent, is currently embedded in the Upstate New York Regional Intelligence Center (UNYRIC) in Albany, NY; eleven ICE agents are already an integral part of the Arizona Counterterrorism Intelligence Center (ACTIC) in Phoenix, AZ. These relationships serve both parties well and I neither want to duplicate effort nor inadvertently jeopardize work in progress.
- Second, recognize the particular needs and unique situation of each fusion center—one size does not fit all. Individual fusion centers were

established to meet the individual needs of the jurisdiction. We need to develop a collaborative, synergistic relationship with each one—one at a time—that benefits all parties concerned.

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

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

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

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

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

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

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

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

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

Mr. Chairman, thank you again for giving me the opportunity to speak with you and the members of the Committee. I welcome your questions.