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# U.S. Homeland Security: Reality or Myth? Domestic Counterterrorism post-9/11

*Diplomová práce*


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## Abstrakt

Diplomová práce „Vnitřní bezpečnost USA: Realita či mýtus? Domácí boj s terorismem po 11. září 2001“ zkoumá změnu v domácí protiteroristické politice USA po teroristických útocích z 11. září 2001. Konkrétněji se práce zaměřuje na reorganizaci americké vlády, která vedla k vytvoření Ministerstva pro vnitřní bezpečnost. Hlavním cílem agendy vnitřní bezpečnosti bylo sjednocení amerických snah soustředěných na předcházení a zabránění teroristickým útokům na Spojené státy, snížení americké zranitelnost vůči terorismu a minimalizace škod a zajištění obnovy, pokud tyto útoky nastanou. Tato diplomová práce se snaží zodpovědět dvě související otázky: (1.) zda navržená agenda vnitřní bezpečnosti vedla k vytvoření efektivní a sjednocené politiky domácího boje s terorismem založené na sdílení informací, a za (2.) proč, i přes to že teroristické útoky z 11. září vytvořily jedinečnou příležitost pro zásadní reorganizaci americké vlády a vytvoření jednotné agendy vnitřní bezpečnosti, tato sjedocující agenda pod hlavičkou Ministerstva pro vnitřní bezpečnost nebyla naplněna. Z představené analýzy vyplývá, že efektivní reorganizaci americké vlády bylo zabráněno ze tří hlavních důvodů. Prvním je vlastní organizační povaha jednotlivých vládních institucí. Druhým důvodem je „racionální jednání“ hlavvních aktérů amerického vládního systému (jak prezidenta USA, tak Kongresu). Za třetí, sdílení informací, jako jeden z hlavních elementů americké protiterotisrické politiky, bylo omezeno demokratickými principy americké tradice důrazu na osobní svobody.

## Abstract

Diploma thesis “U.S. Homeland Security: Reality or Myth? Domestic Counterterrorism post-9/11” examines the change in U.S. domestic counterterrorism policy after the

terrorist attacks of 9/11. More specifically, it focuses on the U.S. government's reorganization, which led to the creation of the Department of Homeland Security. As outlined in this thesis, the homeland security agenda was aimed at unifying the U.S. efforts to prevent terrorist attacks within the United States, reducing America's vulnerability to terrorism, and minimizing the damage and recovering from attacks that do occur. This thesis sets out to answer two interconnected questions: (1) whether the proposed homeland security agenda led to an efficient and unified system of U.S. domestic counterterrorism measures based on enhanced information sharing; and (2) why, in spite of the unique opportunity created by the 9/11 attacks, a comprehensive reorganization of the U.S. government to create a coherent homeland security agenda did not materialize. Throughout this thesis, it is argued that an efficient U.S. government reorganization was obstructed by three main factors. First, the change was obstructed by the organizational nature of the government agencies. Second, the reorganization was hindered by the "rational choices" of the U.S. leadership (both the president and the legislators). Third, the information sharing aspect of the new homeland security agenda was strongly shaped by democratic principles and the core beliefs of U.S. citizens regarding civil liberties.

## Klíčová slova

Vnitřní bezpečnost, boj s terorismem, sdílení informací, zpravodajské služby, organizační teorie

## Keywords

Homeland Security, Counterterrorism, Information Sharing, Intelligence Community, Organization Theory

**Rozsah práce: 160,693 zn. (89 NS)**

## Prohlášení

1. Prohlašuji, že jsem předkládanou práci zpracovala samostatně a použila jen uvedené prameny a literaturu.
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3. Souhlasím s tím, aby práce byla zpřístupněna pro studijní a výzkumné účely.

V Praze dne 20.5. 2011 Alžběta Bernardyová

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# Contents

## Introduction

The terrorist attacks of September 11, 2001 (9/11) changed the equilibrium of U.S. perception towards terrorist threats. This form of violence was not new in American historical experience. The threat and use of psychological and physical force by individuals, sub-national groups, and state actors aimed at attaining political, social and economic objectives in violation of domestic and international law have challenged the United States prior to September 11, 2001. However, this unprecedented (in its extent and brutality) action against ordinary citizens of the United States carried out on American soil, underscored the vulnerability and unpreparedness of the country for such an attack. Most importantly, it highlighted two key weaknesses in U.S. operational capabilities to counter terrorism. First, the executive branch lacked an effective planning mechanism for counterterrorism operations on the domestic level. Second, the U.S. intelligence community found it difficult to operate in an integrated manner because its structure was a Cold War relic with no single actor having ultimate authority. These two interconnected issues led to hampering the information sharing aspect of national security, which is essential for successful prevention of the terrorist attacks.

During the Cold War, threats to U.S. national security were essentially coming from one single enemy – the Soviet Union and its satellites. Transnational threats were not new for U.S. national security officials, but they were treated as marginal within the Cold War context. After the dissolution of the Soviet Union, the growing importance of transnational threats, led by terrorism, were recognized both by national security and intelligence officials as well as the decision makers. However, the transition from focusing on one single target essentially bounded by borders and hierarchical in structure to targets that are asymmetric and, by definition, transnational, was not realized in a swift enough fashion in order to prevent the attacks from happening.

Moreover, given the U.S. historical experience and its relative geopolitical isolation, U.S. national security only solemnly had to deal with direct threats to the U.S. homeland. That changed on September 11, 2001, when the terrorist attacks ushered in a new concept of protecting the homeland. From this moment, homeland security would gain a prominent position in U.S. national security strategy. Counterterrorism, both on domestic and foreign policy level, became the cornerstone of U.S. national security strategy. On the domestic level, the focus was almost immediately shifted to protecting the homeland from future terrorist attacks by creating a unified domestic counterterrorism strategy securing the U.S. borders and denying terrorists future

opportunities to strike at the American soil. In this regard, information sharing was made one of the core priorities of the new homeland security strategy.

The first steps taken in creating a unified policy and strategy of U.S. homeland security were undertaken less than one month after the attacks first with the creation of the Office of Homeland Security, and later with the legislation that created the new Department of Homeland Security (DHS) by combining twenty-two government agencies with approximately 180,000 employees. The Department's envisaged key role was to function as the unifying core of the vast national network and institutions involved in homeland security and one of its main tasks was to develop complementary systems that avoid duplication and promote collaboration and cooperation. One of the DHS's four directorates, the Information Analysis and Infrastructure Protection Directorate (IAIP) was intended to fulfill one of the most critical homeland security functions – to improve the intelligence sharing and dissemination of information.

Thus, shortly after 9/11 it seemed that the catastrophic events provided a momentum for a governmental change that would enable the U.S. government to properly adapt to the post-Cold War security environment and which would ultimately improved information sharing on all of its levels.

### *Research Objectives*

The purpose of this thesis is to answer two interconnected questions. The first question is whether the proposed introduction of homeland security agenda led to an efficient and unified system of U.S. domestic counterterrorism measures based on enhanced information sharing. Throughout this research, *efficiency* is understood as measures undertaken on organizational level within the U.S. government in order to counter future terrorist attacks on the U.S. soil. These measures include the organizational change leading to the creation of the Department of Homeland Security as well as processes connected with the U.S. intelligence community reform in order to enhance information sharing. *Unification* is then defined based on the National Strategy for Homeland Security's vision of the DHS as a unifying core of the vast national networks and institutions involved in homeland security, ensuring the avoidance of duplication.[1]

[1] *National Strategy for Homeland Security*. 2002. Washington, D.C.: White House, Office of Homeland Security, p.3. Available at: < http://www.dhs.gov/xlibrary/assets/nat_strat_hls.pdf > [accessed 22. 4. 2011].

Although it is possible to say that there has not been any successful terrorist attack of 9/11 scope on targets within the United States after 9/11[2], if we evaluate the actual steps undertaken in order to achieve the unification of policies responsible for prevention of such events, it is possible to see that throughout both presidencies of George W. Bush the system was far from unified and efficient. This conclusion then leads to the second question addressed throughout this thesis, which explores why, in spite of the unique opportunity created by the 9/11 attacks, a comprehensive reorganization of the U.S. government in order to create a coherent homeland security agenda did not materialize.

In this thesis it is hypothesized that an efficient U.S. government reorganization was obstructed by three main factors. First, the change was obstructed by the nature of the government agencies themselves. Second, the reorganization was hindered by the rational choices of the U.S. leadership (both the president and the legislators). Third, the new homeland security agenda was strongly shaped by American citizens' democratic principles and their core beliefs regarding civil liberties. However, among these three obstacles to the successful government reorganization, the institutional aspect is perhaps the most important as institutions are the means by which public preferences are transformed into concrete policies. In other words, organization matters.[3] Organizational structure, culture and management all influence how efficient the system will be. Furthermore, in order to keep this thesis within a reasonable range, most attention will be paid to the organizational obstacles to the creation of unified homeland security agenda.

As will be explained in the next chapter, the term homeland security is very broad and incorporates many different aspects. Thus, it is important to bear in mind that for the purposes of this thesis, the topic of homeland security has been narrowed down to the analysis of homeland security in terms of preventing terrorist attacks within the United States, i.e. excluding the aspect of protection from and emergency response to natural disasters. Moreover, the research is focused on the main deficiency of the pre-

[2] There are opinions suggesting that there in fact was a number of terrorist attacks on American targets since 9/11, such as the Virginia snipers case (see e.g. Gruen, Madeleine, Hyland Frank. 2008. "No Attack in the U.S. since 9/11? available at:< http://counterterrorismblog.org/2008/08/no_attack_in_the_us_since_911.php> [accessed 22.4. 2011]), however compared to the scope of successful Al Qaeda attacks during the 1990s such as the 1996 Khobar Towers bombing and the 1998 Kenya and Tanzania U.S. embassy attacks and the 9/11, the post-9/11 incidents are not of an equal importance.

[3] For the purpose of this thesis, terms organization and institution and their derivatives are treated as equal.

9/11 domestic counterterrorism efforts and its elimination within the homeland security agenda – lack of information sharing.

### *Roadmap of Research*

The argument presented in this diploma thesis will be structured as follows. Chapter 1 will provide the theoretical and methodological background for this research thesis. This work will commence with a definition of homeland security and a brief discussion of its role within national security. Thereafter, different theoretical approaches to the study of homeland security will be introduced. Lastly, the Eastonian input/output methodology employed in this research study will be presented.

Chapter 2 will focus on the homeland security before 9/11. It will examine the evolution of U.S. counterterrorism strategy and the changing perceptions of possible threats to the U.S. homeland during and after the Cold War. It will also analyze the attempts of the U.S. intelligence community to respond to the changed security environment in order to improve coordination and information sharing.

Chapter 3 will be devoted to the aftermath of 9/11 and the U.S. government's immediate reaction to the attacks. Shortly after the terrorist attacks President Bush and the U.S. Congress promoted two initiatives focused on improving the U.S.'s domestic counterterrorism strategy. The first was the enactment of the USA Patriot Act, and the second was the proposition of a comprehensive homeland security agenda.

Chapter 4 will delve into the legislative, executive and organizational processes connected with the creation of the Department of Homeland Security. It will also evaluate the DHS's role in information sharing and intelligence coordination.

Chapter 5 will analyze the various aspects of U.S. intelligence community reform undertaken in order to enhance information sharing. It will delve into the implementation of the 9/11 Commission recommendations through the adoption of the Intelligence Reform and Terrorism Prevention Act (IRTPA). Then, the implementation of the IRTPA provisions will be evaluated based on an analysis of the newly created institutions and their role in the intelligence community structure, and also of the old institutions and their attempts for internal change.

Chapter 6 will provide analysis of the major shortcomings of the homeland security and information sharing agenda. It will also evaluate the concept of unified homeland security agenda with regards to the transition of the Bush and Obama presidencies.

The research presented in this diploma thesis partially draws on previous study undertaken by the author on organization theory and U.S. intelligence community. However, this thesis takes a different approach, applying the organization theory research to the more general topic of U.S. homeland security and information sharing.[4]

[4] Bernardyová, Alžběta. 2010. *The U.S. Intelligence Community Reform post-9/11: Strengthening the U.S.'s Ability to Fight Terrorism?* Praha: Univerzita Karlova v Praze, Fakulta sociálních věd, Institut politologických studií.

## 1. Analyzing Homeland Security: An Emerging Academic Field

Following the 9/11 terrorist attacks, a vast number of scholars began to focus their work on various aspects of homeland security. The scope of their research stretches across the gamut from the root causes of this violent act, to appropriate government policies for confronting this kind of danger, to analyzing the danger posed by natural disasters, along with the more practical recommendations of professional responders. This wide range of academic topics originates in the numerous potential definitions of homeland security, or more specifically, the very broad and ever expanding notion of what should be encompassed as "homeland security." Thus, it is essential to develop from the outset an explicit working definition of what is meant by the term "homeland security," what are its different aspects, and what is its relationship to national security and intelligence. These issues will be dealt with in the first section of this chapter.

In the second section, different academic approaches to the study of homeland security will be introduced. These various approaches may be interpreted as different facets of the study of homeland security. They span from topics such as relationship of homeland security and terrorism, public policy administration, emergency management and critical infrastructure protection to natural disaster preparedness or immigration and borders protection. Many of the approaches are also focused more on education of homeland security professionals rather than on theory based analysis. Given the vast number of literature focusing on homeland security topics, it is quite surprising that the question of homeland security as a unified agenda has not been discussed in great depth within the political science or organization theory discourses.

For this reason, there is not a "ready-made" theory available, which could be applied to the creation of U.S. homeland security agenda post-9/11. Thus, in order to explain the resistance of the U.S. government agencies to reform into a unified and efficient system, a combined approach of organization and bureaucracy theory with aspects from political science and decision-making will be developed. Lastly, this chapter will present the research method used in this thesis.

### *1.1. Defining Homeland Security and Its Relationship with National Security*

As Christopher Bellavita, a leading expert in homeland security studies, contends there "is no explicit agreement about the definition of homeland security"[5]. Bellavita offers a number of different approaches to homeland security, based on assertions about what homeland security emphasizes. His main distinction is between the definition set forth by the National Strategy for Homeland Security and other definitions based on a broader perception of the term.

The definition of homeland security in the National Strategy for Homeland Security is following:

> *Homeland security is a concentrated national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.* [6]

According to this definition, the core of homeland security is about preventing terrorism and responding in a proper manner in case such attacks do occur. However, with the perception of the level of terrorist threats diminishing, due to the fact that no other terrorist attack of 9/11 scope has been purported since, and simultaneous heightening of the perceived need to focus on other primarily natural disaster threats, mainly fomented by the tragic aftermath of hurricane Katrina, there has been a shift to a more "all-hazard" encompassing definition. This broadened approach to homeland security stems also from the practical difficulties of agencies newly responsible for homeland security (i.e. domestic counterterrorist) tasks having previous responsibilities responding to other emergencies on top of addressing the terrorist threats. As Sauter and Carafano put it, "[t]he U.S. government defines homeland security as the domestic effort … to defend America from terrorists. In practice homeland security efforts have also come to comprise general preparedness under the all-hazards doctrine."[7]

From an empirical point of view, it is possible to argue that the occurrence of natural or human-caused disasters is much more frequent than terrorist attacks. In this sense, the definition of homeland security can be formulated in a following way:

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[5] Bellavita, Christopher. 2008. "Changing Homeland Security: What is Homeland Security". *Homeland Security Affairs* 4 (2): 1.
[6] *National Strategy for Homeland Security*. 2002.
[7] Sauter, Mark A., Carafano, James Jay. 2005. *Homeland Security: A Complete Guide to Understanding, Preventing, and Surveying Terrorism.* New York: McGraw Hill, p. xiv.

> *Homeland security is a concerted national effort to prevent and disrupt terrorist attacks, protect against man-made and natural hazards, and respond and recover from incidents that do occur.*[8]

This approach has been somewhat acknowledged in the National Strategy for Homeland Security, which recognizes that "effective preparation for catastrophic natural disasters and man-made disasters, while not homeland security per se, can nevertheless increase the security of the homeland".[9]

Another way of looking at the definition of homeland security, according to Bellavita, can be as something that is largely an activity of the federal government. Or in other words:

> *Homeland security is what the Department of Homeland Security – supported by other federal agencies – does to prevent, respond to and recover from terrorist and catastrophic events that affect the security of the United States.*[10]

Kiki Caruson and Susan MacMancus point out that this definition expresses how most state and local officials involved in homeland security perceive homeland security. They argument that "[w]hile the federal government has dominated the making of homeland security, local and state governments have been made responsible for putting it in place at the grassroots level via mandates from the above."[11]

Many scholars also define homeland security through its relationship to national security and defense. As with the term homeland security, the term homeland defense encompasses many meanings and many times the terms are used interchangeably. David Goldfisher stresses that "it was not until after 9/11 that both terms entered mainstream policy discourse."[12] Noftsinger et al. add that the term homeland defense in the meaning of protection of what lies within borders and traditionally a niche of homeland defense, was as a concept quickly altered by the 9/11 attacks. "It became clear that the use of traditional law enforcement, coupled with military operations, could not provide adequate protection in this new age of terrorism. With the movement toward formal

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[8] Bellavita, C. 2008, p. 4.
[9] *National Strategy for Homeland Security*. 2002, p. 3.
[10] Bellavita, C. 2008, p. 5.
[11] Caruson, Kiki, MacMancus Susan. 2005. "Homeland Security Preparedness: Federal and State Mandates and Local Government." *Perspectives: Homeland Security*, Summer 2005: 25.
[12] Goldfisher, David. 2008. "Assured Vulnerability: Homeland Security and the Cold War Legacy of Defenselessness". P. 36 in Paul R. Viotti, Michael A. Opheim, Nicholas Bowen (eds.). *Terrorism and Homeland Security: Thinking Strategically about Policy.* Boca Raton: CRC Press Taylor & Francis Group.

bureaucratic organization of these efforts came a new term that encompassed a new mission: *homeland security*."[13] Stockton and Roberts suggest that the distinction between homeland security (protecting against internal threats) and homeland defense (protecting against external threats) is merely a distinction between the Departments of Homeland Security and Defense.[14]

With regards to national security, Christopher Bellavita than offers a comprehensive definition encompassing both homeland security and defense:

> *Homeland security is an element of national security that works with the other instruments of national power to protect the sovereignty, territory, domestic population and critical infrastructure of the United States against threats and aggression.*[15]

Bellavita also argues that among the main reasons for this differentiation between homeland security and national security are attempts to avoid (a.) jurisdictional confusion, and (b.) "pressure to share some of the Department of Defense budget (an estimated 500 billion dollars in 2008) with the Department of Homeland Defense (whose 2008 budget was less than one-tenth the DOD budget)."[16]

All the above mentioned definitions resonate in Donald F. Kettl's perception of homeland security as, in essence, coordination. As he puts it, homeland security is mainly about "weaving together far more effectively the nation's existing experts and resources. It is a mater of doing some new things, many old things much better and some old things differently."[17] Yet, Kettl also stresses that "with the rise of homeland security as a concern, none of the old policy imperatives evaporated. New ones have only been added."[18]

For the purposes of this thesis, the first definition of homeland security is the most suitable as it allows for a narrower approach to the topic by concentrating on the actions and policies connected with counterterrorism efforts. Moreover, this thesis will deal in a great detail with the aspect of homeland security connected with information and intelligence sharing and the steps undertaken in order to improve them after 9/11.

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[13] Noftsinger, John B., Newbold, Kenneth F., Wheeler, Jack K. 2007. Understanding Homeland Security: Politics, Perspectives and Paradoxes. New York: Palgrave Macmillan, p. 29.
[14] Stockton, Paul N., Roberts, Patrick S. 2008. "Findings from the Forum on 'Homeland Security after the Bush Administration: Next Steps to in Building Unity of Effort". *Homeland Security Affairs* 4(2): 11.
[15] Bellavita, C. 2008, p. 11.
[16] Ibid., p. 12.
[17] Kettl, Donald F. 2007. *System under Stress: Homeland Security and American Politics.* Washington, D.C.: CQ Press, p. 32.
[18] Ibid.

The National Strategy for Homeland Security clearly indicated the importance of intelligence sharing in order to avoid being surprised by another terrorist attack. It also recognized that agencies of the U.S. government have not always fully shared information due to legal or cultural barriers and limitations of information systems and emphasized that the U.S. intelligence community under the coordination of the Department of Homeland Security must do a better job identifying, collecting, and analyzing information.[19]

### *1.2. Academic Approaches to Homeland Security*

According to a report by the National Research Council, "the academic context of homeland security could be stretched to include almost every discipline and topic area imaginable, with homeland security serving more as a target for the application of such studies rather than as a descriptor of such studies themselves."[20] This description stems largely from the broad spectrum of meanings of homeland security and precisely evidences the biggest problem connected with the study of this area. Simply put, there are too many different topics treated as homeland security, yet they are either mostly too narrowly focused on a particular field or issue to provide a comprehensive analysis of homeland security or too shallow to provide any substantial analysis beyond simple textbook-like description. Due to the non-existence of a well articulated, explicitly delineated, and widely shared definition of homeland security, there is also virtually no consensus on how to research and analyze homeland security.

After the 9/11 terrorist attacks, the proposition of the homeland security agenda by the Bush administration ushered in a heightened attention of scholars as well as policy analysts and professionals to the various topics included under the term. A vast volume of research immediately after 9/11 was devoted to the study of terrorism, explaining its root causes, U.S. anti-terrorism policies before 9/11 and policy recommendations on how to protect the United States from future threats. Many of these recommendations were focused on border and infrastructure protection, transportation security as well as on the threats of weapons of mass destruction and biochemical hazard risks. To name a few publications taking this approach, it is possible to highlight a volume edited by Paul R. Viotti et al. *Terrorism and Homeland Security: Thinking*

[19] *National Strategy for Homeland Security*. 2002.
[20] National Research Council. 2005. *Frameworks for Higher Education in Homeland Security*. Washington, D.C.: The National Academies Press.

*Strategically about Policy*[21], Russell D. Howard et al. edited volume *Homeland Security and Terrorism: Readings and Interpretations*[22], or Mark A. Sauter and James Jay Carafano's *Homeland Security: A Complete Guide to Understanding, Preventing, and Surveying Terrorism*[23].

After the disaster of hurricane Katrina in 2005, a large number of homeland security literature focused on preparedness for natural disasters and emergency management.[24] Other authors concentrate on more specific aspects of homeland security such as critical infrastructure protection (Robert Radvanovski and Allan McDougall[25]) or border security and immigration policies (Edward Allden[26]).

Some scholars take an altogether different approach focusing on legal issues connected with homeland security and on the question of relationship between homeland security and democracy. They analyze topics such as problems of civil rights protection under heightened homeland security policies or legislative and judicial oversight. Among authors focusing on these topics are James Beckman[27], Joe Whitley and Lynn Zusman[28], or Martin Alperer[29]. And yet another different group of scholars touches upon the international relations aspect of homeland security and how adoption of homeland security policies affects relations among countries, these authors are for example Imtiaz Hussain and Satya R. Pattnayak[30] or Anja Dalgaarg-Nielsen and Daniel Hamilton[31].

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[21] Viotti, Paul R., Opheim, Michael A., Bowen Nicholas (eds.). 2008. *Terrorism and Homeland Security: Thinking Strategically about Policy.* Boca Raton: CRC Press Taylor & Francis Group.
[22] Howard, Russell D., Forest, James J.F., Moore, Joanne C. (eds.). 2006. *Homeland Security and Terrorism: Readings and Interpretations*. New York: McGraw-Hill.
[23] Sauter, Mark A., Carafano, James Jay. 2005.
[24] Among some of the most important publications dedicated to natural disasters and emergency management are: Miskel, James F. 2006. *Disaster Response and Homeland Security: What Works, What Doesn't.* Westport, CT: Praeger Security International or Haddow, George, Bullock, Jane, Coppola Damon P (eds.). 2007. *Introduction to Emergency Management (Homeland Security Series).* Oxford: Butterworth-Heinemann.
[25] Radvanovsky, Robert, McDougall, Allen. 2010. *Critical Infrastructure: Homeland Security and Emeregency Preparedness.* Boca Raton: CRC Press Taylor & Francis Group.
[26] Alden, Edward. 2008. *The Closing of the American Border: Terrorism, Immigration, and Security since 9/11*. New York: HarperCollins Publishers.
[27] Beckman James. 2007. *Comparative Legal Approaches to Homeland Security and Anti-terrorism.* London: Ashgate Publishing Ltd.
[28] Whitley, Joe D., Zusman, Lynn K. 2009. *Homeland Security: Legal and Policy Issues.* Chicago: ABA Publishing.
[29] Alperer, Martin. 2011. *Foundations of Homeland Security: Law and Policy.* Hoboken, NJ: John Wiley & Sons.
[30] Hussain, Imtiaz A., Pattnayak, Satya R., Hira, Anil. 2008. *North American Homeland Security: Back to Bilateralism?* Westport: Praeger Security International.
[31] Dalgaard-Nielsen, Anja, Hamilton Daniel S. (eds.). 2006. Transatlantic Homeland Security: Protecting Society in the Age of Catastrophic Terrorism. New York: Routledge.

The above-mentioned overview of different scholarly approaches to homeland security sheds only a small light on the plethora of available literature devoted to homeland security issues. Yet, only a few authors provide a comprehensive view on the U.S. government's reorganization based on organizational theory approach. Of these few authors, some focus more on public management and bureaucracy approach. Because the reorganization of the U.S. government after 9/11 was the most monument effort since the 1947 National Security Act (which created the Department of Defense, the Central Intelligence Agency, and the National Security Council), there is no publication, which would be dedicated to an analysis of U.S. government reorganization and resistance to change on such a massive scale. Probably the closest is a 1975 *A Theory of Public Bureaucracy: Politics, Personality and Organization in the State Department* by Donald P. Warrick.[32] Yet, given its older publication date and its specific focus on the State Department, its use for the purpose of this thesis is rather limited.

Authors who offer a more contemporary and homeland security related insights are primarily Donald F. Kettl[33], Charles Perrow[34] and Ufot B. Inamete[35]. Kettl studies in *System under Stress* the various challenges facing the Department of Homeland Security and other U.S. government agencies responsible for the homeland security agenda. He provides insights into the Bush administration's decisions as well as Congressional policies connected with homeland security coordination. Charles Perrow analyzes in his article in *Homeland Security Affairs* journal the main setbacks and problematic aspects of the Department of Homeland Security and the intelligence reorganization. Ufot B. Inamete focuses in his article on the possibility of the use of the academic discipline of management, and looks into the benefits of the various fields such as organizational cultural studies, organizational change studies, and others, for the reorganization of homeland security and intelligence organizations.

In terms of the information sharing and intelligence reform literature, three authors tackle the question of intelligence community reform after 9/11 from an organizational point of view. The first is Amy Zegart, who in her book *Spying Blind:*

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[32] Warrick, Donald P. 1975. *A Theory of Public Bureaucracy: Politics, Personality and Organization in the State Department.* Cambridge, MA: Harvard University Press.
[33] Kettl, Donald F. 2007.
[34] Perrow, Charles. 2006. "The Disaster after 9/11: The Department of Homeland Security and the Intelligence Reorganization". *Homeland Security Affairs* 2 (1): 1-32.
[35] Inamete, Ufot B. 2006. "The Academic Discipline of Management and Homeland Security". *Review of Policy Research* 23 (1): 197-222.

*The CIA, the FBI, and the Origins of 9/11*[36] creates a combined theoretical approach to study adaptation failure of U.S. intelligence community before 9/11 based on both organization theory and political science theory of rational choice decision making. Even though this scholar applies her framework to an explanation of U.S. intelligence community failure before 9/11, her combined framework proves useful even for evaluating the post-9/11 U.S. government reorganization. The other two authors are Glenn P. Hastedt and B. Douglas Skelley, who in their chapter *Intelligence in a Turbulent World: Insights from Organization Theory*[37] provide an insight of organization theory on the organizational structure, culture and management of the intelligence community. The next part of this chapter will present the main arguments for an organizational approach to homeland security.

### *1.3. Organization Theory and Homeland Security*

In order to build a model of the U.S. government homeland security reorganization that allows a proper analysis, both the organization theory as well as the theory of new institutionalism and rational choice decision-making will be used. Even though, the main focus is on the organizational side of the creation of the Department of Homeland Security and the subsequent intelligence community (IC) reform – on their internal structures, cultures and management – attention also has to be paid to processes outside of the DHS and IC. These explain the influence of leadership decision-making as well as the institutional design of the American democratic principles on the final outcome of the U.S. government reorganization.

The organization theory consists of a system of competing ideas some of which are useful for explaining the failure of the U.S. government reorganization to create a unified and efficient homeland security system. Classical organization theory is focused mostly on private corporations and businesses, thus it is necessary to adopt a bureaucratic perspective to the organization theory. Here, the logic may be summarized as follows. First, internal change is difficult for private companies[38] and even more for

[36] Zegart, Amy. 2007. *Spying Blind: The CIA, the FBI and the Origins of 9/11*. Princeton and Oxford: Princeton University Press.
[37] Hastedt Glenn P., Skelley, Douglas B. 2009. "Intelligence in a Turbulent World: Insights from Organization Theory". Pp. 112-130 in Peter Gill, Stephen Marrin, Mark Phythian (eds.). *Intelligence Theory: Key Questions and Debate.* New York: Routledge.
[38] Kaufmann, Herbert. 2005. *The Limits of Organizational Change.* New Brunswick: Transaction Publishers.

governmental organizations.[39] Second, internal resistance to change is powerful because it is based on both the organizational structure and also on an entrenched culture of values, norms, ideas and identities.[40] Three reasons why organizations resist change can be characterized in the following manner.

First, there is bounded rationality of organizational leaders, who settle for options to internal change that seem to them to be good, but which in fact might not be. However, because the leaders have usually incomplete information, cannot predict the future and are bound by cognitive constraints, it can lead them to adopt changes, which might be poorly identified, while the real problems are not addressed and deficiencies prevail.[41]

The second reason is structural secrecy. In order to be efficient, organizations specialize and divide to proficient subunits focusing on specific tasks. However, this kind of specialization prevents the efficient movement of knowledge and information within an organization. The resulting outcome is that "people in one part of the organization often lack the expertise to understand the work of people in other parts of the organization."[42] Structural secrecy makes it hard for managers to understand what exactly are the subunits doing and what needs to be changed. "The very structures, rules, and technologies designed to improve efficiency sabotage the organizations ability to learn and change."[43]

Finally, the liability of time or institutional inertia is the third factor limiting the organizational change. All organizations become more resistant to change as routines, norms, and relationships get established over time. Here, the problem is multifaceted. Organizational management supports standardization in operating procedures, motivation of employees, etc. But the very measures that create stability and reliability reduce the probability of change.[44] In addition, the growing homogeneity of organizational culture – i.e. norms, relationships, and behaviors – leads employees to be

[39] Ibid.
[40] Egeberg, Morton. 2003. "How Bureaucratic Structure Matters: An Organizational Perspective". Pp. 116-126 in B. Guy Peters, John Pierre (eds.). *Handbook of Public Administration*. London: Sage Publications.
[41] Simon, Herbert A. 1976. *Administrative Behavior: A Study of Decision-making Processes in Administrative Organizations.* New York: Free Press.
[42] Zegart, Amy. 2007, p. 52
[43] Treverton, Gregory F. 2009. *Intelligence for an Age of Terror*. Cambridge: Cambridge University Press, p. 110.
[44] Hannan, Michael T., Freeman John. 1984. "Structural Inertia and Organizational Change". *American Sociological Review* 49: 149-164.

naturally resistant to change of the way things have been done because they have become comfortable and used to the old procedures.[45]

These three obstacles to change apply to all organizations. However, change is even harder for government agencies. This is because governmental institutions are generally designed to be both stable and durable and hence resistant to change. Government institutions place a high value on reliability, predictability and consistency in performing their tasks.[46] Moreover, it is much easier for government agencies to resist change because they are not operating in a competitive market environment, which motivates private companies to adapt in order to survive.

Also, the political environment in which government institutions operate makes it difficult for them to change. The political backing for the creation or reform of a governmental agency relies on compromising political coalitions. Political opposition in the American democratic political system has various means to limit or hamper the reform or creation of a new agency.[47]

Another obstacle to governmental agency change in comparison to the private sector is that managers of governmental organizations are restricted by many more rules, conflicting goals and bureaucratic red tape. The process of managerial decisions such as hiring and firing employees, or acquiring more funds is required to move through a complicated system of bureaucratic layers, which ultimately makes it difficult for the governmental agencies to change.

Another way of changing agencies that are not managed internally is an imposed change from the outside, through executive or legislative action. These processes are not at the core of the argument of this thesis, but have a certain effect on the final outcome of the U.S. homeland security government reorganization and therefore need to be mentioned. Especially important is the fact that even here obstacles to organizational change emerge. These consist of the rational self-interest decision making of both the president as well as the legislators.

For presidents the incentives to improve organizational effectiveness exist and presidents are expected to promote it by constituents. However, presidents must prioritize among issues on their packed agendas. With limited election terms, presidents

[45] Kaufman, Herbert. 1976. *Are Governmental Organizations Immortal?* Washington, D.C.: Brookings Institution Press or Downs, Anthony. 1967. *Inside Bureaucracy.* Boston: Little Brown.
[46] Meyer, Marshall W., Zucker, Lynne G. 1989. *Permanently Failing Organizations.* Newbury Park, CA: Sage Publications.

focus mostly on issues that directly concern voters, rather then on changing the complicated organizational design of governmental agencies. As Zegart concludes, "presidents are especially reluctant to push for agency reforms in the absence of a crisis or in the presence of anticipated resistance."[48] Also for legislators the topic of agency reform is mostly not attractive enough to delve into. Especially topics such as the intelligence reform have weak connection to voters in their electoral districts.

A second external barrier to U.S. homeland security government reorganization stems from some key principles of American democracy – its decentralized system of federal government and stress on civil liberties. The federal system of government, as was already mentioned, enables political opposition to mitigate the final outcomes of proposed reforms. Also, the emphasis on civil liberties usually complicates any attempts to reform and centralize federal government out of the fear of civil rights violations if more power was vested in the federal government.

This overview of the homeland security and organizational theory literatures highlights a number of key themes relevant to reform of the U.S. homeland security government reorganization post-9/11. All organizations by their very nature are resistant to substantial change and are constrained by rational self-interest of key decision makers. In addition, public institutions must take into account their political environment. In the case, of homeland security and intelligence organizations strong popular support for liberal democratic principles is a central consideration. Each of these three themes provides the building blocks for the research methodology used in this thesis.

### *1.4. Research Methodology*

Given the complex theoretical framework applied to the study of the U.S. homeland security, the research methodology requires a comprehensive approach. Thus, the actual research method used in this thesis may be summarized as an analytical and evaluative organizational narrative. The research methodology used in this thesis is based on an Eastonian[49] input/output perspective on U.S. government reorganization.

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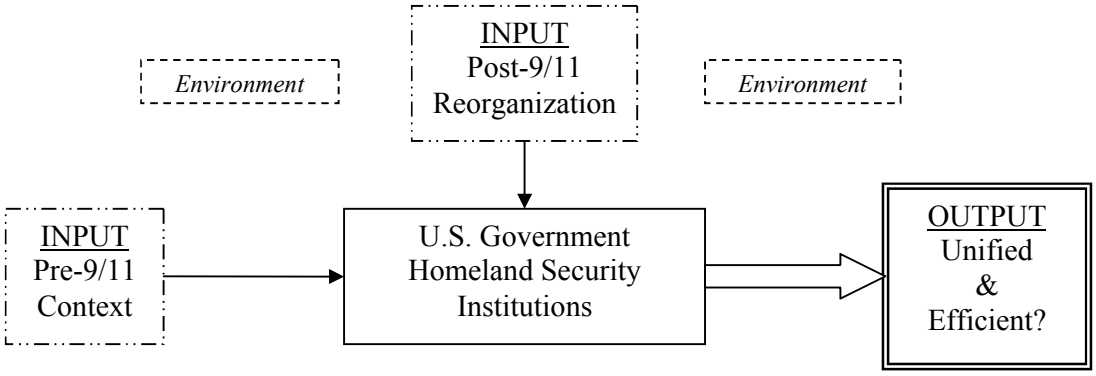
[47] Moe, Terry. 1989. "The Politics of Bureaucratic Structure". Pp. 267-322 in John E. Chubb, Paul E. Peterson (eds.). *Can the Government Govern?* Washington, D.C.: Brookings Institution Press.
[48] Zegart, Amy. 2007, p. 57.
[49] David Easton, a renowned political scientist, created a model of political system based on input and output factors which are influenced by external environment. For more on Easton's application of systems theory of political science, see e.g. Easton, David. 1965. *A Systems Analysis of Political Life.* New York: John Wiley and Sons, Inc.

The basic features of this methodological approach are presented schematically in Figure 1.1.

Within this Figure 1.1 the development of the U.S. domestic counterterrorism before 9/11 as well as actions undertaken in order to promote the homeland security agenda post 9/11 are considered to be inputs into the original institutional design of the U.S. government. Thereafter, the impact of the pre-9/11 situation and post-9/11 reorganization proposals will be evaluated using an organizational and rational-decision making framework. Lastly, the output or actual implementation of the legislation reforming the U.S. executive branch will be evaluated based on the criteria of efficiency.

The U.S. homeland security institutions depicted by the box in the center of Figure 1.1 consists of the internal organizational processes present within the U.S. government. These internal processes include the bounded rationality of homeland security management, informational asymmetry or 'structural secrecy' within the homeland security agencies, and the institutional inertia embedded within the homeland security agencies culture. The internal organizational processes are influenced by external processes entrenched in the political and societal environment. The external environment processes consist of executive and legislative decisions made by the self-interest rationale of political leaders, as well as of the democratic societal values of citizens on the basis of deeply held beliefs regarding civil liberties.

**Figure 1.1. Schematic representation of the research methodology**




*Note: This systems theory approach to homeland security provision, based on the work of Easton,[50] views the work of homeland security institutions as being a product of the inputs into these institutions and the environment within which homeland security institutions operate. This model does not deal directly with the internal operations of homeland security institutions but suggests that institutional factors play an important role in mediating policy inputs and outputs.*

[50] Ibid., p. 32.

The pre-9/11 socio-political context will be discussed in chapter 2. This context is viewed in Figure 1.1 as providing a key input to the development of U.S. domestic counterterrorism before 9/11. Within the approaches to the study of homeland security presented in sections 2.1 and 2.2 of chapter 2, all of the previously mentioned themes such as limits of information sharing, methods and practice of agencies influencing institutions decisions and actions, and the advocacy of the status quo by former national security and policy-makers add to the pre-9/11 input will be discussed. Each of these themes has influenced the internal organizational design and culture of the U.S. homeland security.

Later in chapters 3, 4 and 5 the focus will shift to an examination of the input provided by reactions to the post-9/11 terrorist attacks on governmental and legislative initiatives to reorganize the U.S. government in order to create a unified homeland security agenda. These actions have also had an impact on the internal institutional processes within the homeland security agencies. Chapter 6 will thereafter evaluate all the interconnected input processes influencing the final output of the post-reorganization homeland security agenda in terms of its efficiency.

The evidence for the analysis and evaluation of the U.S. homeland security reorganization presented in following chapters is drawn from a wide range of unclassified and declassified policy documents. This type of evidence is composed of various commission recommendations, official reports and working papers analyzing the pre-9/11 and post-9/11 state of the U.S. counterterrorism and homeland security policies, internal agency evaluation documents of the progress of implementing the homeland security reorganization propositions, various official strategies, and miscellaneous pieces of legislation related to the creation of unified homeland security.

### *1.5. Conclusion*

In this chapter the theoretical and methodological framework for this research thesis has been presented. The theoretical approach adopted draws inspiration from insights derived from the literatures on intelligence and organizations. These insights have been used in conjunction with an Eastonian systems model to construct a methodological approach exploring the two main influences, or inputs, on U.S. government reorganization. In the next chapters, the process of applying the theoretical and methodological perspectives developed in the foregoing pages will be "put to the

test" and used to marshal the evidence to address the two key questions outlined in the introductory chapter.

## 2. U.S. Homeland Security and Counterterrorism Strategy before 9/11

For about forty years the United States national security policy focused on one overriding target: the Soviet Union, and its satellites. Attention and resources were mostly directed against Soviet nuclear forces and its conventional forces threatening Western Europe. However, with the end of the Cold War, the United States national security policy and strategy faced a dilemma of finding its purpose in a new unipolar world. The old adversary had disappeared and a new one was coming in many different forms and shapes. The United States national security policy was expected to adapt to these new threats and to focus on a changed set of targets. The ability (or inability) to adapt to these changes forms part of the pre-9/11 input to the U.S. homeland security reorganization outlined earlier in the systems theory model presented in Figure 1.1.

This chapter will first focus on the evolution of U.S. counterterrorism strategy and the changing perceptions of possible threats to the U.S. homeland during and after the Cold War. During the Cold War, U.S. national security officials focused primarily on offensive measures against the Soviet Union and its allies. Attention to civil defense as well as to the potentiality of terrorist attacks was viewed as marginal. In the second section of this chapter the U.S. intelligence community's attempt to respond to the changed security environment will be analyzed. This will include the intelligence community's aim at improving its capability to collect, analyze and share information on potential terrorist threats. The final part of this chapter will examine the main obstacles to implementing the recommendations of a number of blue-ribbon commissions and governmental initiatives, which suggested government reorganization and the need to focus on terrorist threats prior to 9/11.

### *2.1. Pre-9/11 Homeland Security and Counterterrorism Strategies*

During the Cold War, the United States relied primarily on offensive measures. Rather than defending the homeland on U.S. shores, the United States decided to concentrate on threats of preemption or massive nuclear retaliation to a Soviet attack. Although as homeland security experts Mark Sauter and James Jay Carafano point out, there were attempts to create a defense oriented approach at the outset of Cold War, the offensive approach "squelched demand for increased civil defense and preparedness, both for natural and human-caused disasters."[51] It was not until 1979 when Federal

[51] Sauter, Mark A., Carafano, James Jay. 2005, p. 14.

Emergency Management Agency (FEMA) was established to coordinate all federal support to state and local governments following hurricanes, floods and earthquakes. During the Reagan presidency, FEMA's responsibilities also included the protection of critical infrastructure and response to potential terrorist attacks. It must be noted however that substantial funding ended as the Cold War started to die down in 1988.[52]

The threats of a terrorist attack were known to U.S. national security policy-makers during the Cold War, but they were mostly understood as being peripheral to the threat posed by the Soviet Union and its communist counterparts. Although a number of terrorist attacks were carried out in the United States primarily by left-wing extremists during the 1970s and early 1980s, the focus of the government (even though limited) was mainly on state-sponsored terrorist threats to Americans abroad. As one counterterrorist scholar contends, it was only after "the 1983 bombing of the U.S. Embassy and Marine base in Beirut, killing some 270 Americans, that the U.S. government, for the first time in history, seriously decided to develop a more coherent and proactive strategy dealing with terrorism."[53] A commission set up within the Department of Defense under the leadership of formal Navy Commander L.J. Long recommended a major shift in national policy from reactive anti-terrorism posture to proactive counterterrorism strategies. Based on the recommendations of the Long Commission, the Department of Defense began to regard terrorism as an elevated top security concern.[54]

In the aftermath of the hijacking of the 1985 TWA flight 847 and the *Achille Lauro* cruise ship, President Reagan appointed Vice President George H.W. Bush to chair a cabinet level Task Force on Combating Terrorism. Its outcome was to be the most search study of U.S. counterterrorism strategy attempted to date. It recommended a broad range of actions, such as efforts to improve coordination among government agencies, creation of a full-time position on the National Security Council staff, and the establishment of a consolidated intelligence center on terrorism.[55]

Another important tool of U.S. counterterrorism strategy was embedded in the *Omnibus Diplomatic Security and Antiterrorism Act* of 1986.[56] The most important

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[52] Goldfisher, David. 2008, p. 41.
[53] Alexander, Yonah. 2006. "United States". P. 27 in Yonah Alexander. *Counterterrorism Strategies: Successes and Failures of Six Nations.* Washington, D.C.: Potomac Books, Inc.
[54] Ibid.
[55] Naftali, Timothy. 2005. *Blind Spot: The Secret History of American Counterterrorism*. New York: Basic Books, p. 177-178.
[56] For full version of the Omnibus Act see: <http://thomas.loc.gov/cgi-bin/bdquery/z?d099:HR04151:@@@L&summ2=m&> [accessed 23.4. 2011].

provision provided the U.S. law enforcement agencies with the legal authority to conduct criminal investigations abroad. Ultimately, it resulted in the stationing of FBI legal attaches in the U.S. embassies abroad.[57] "History is likely to record that 1986 was the year when the world, at long last, came to grips with the plague of terrorism,"[58] commented President Reagan in May 1986. In reality, the counterterrorism policies had not led to diminishing of terrorism. In December 1988, mid-air explosion of Pan Am Flight 103 was perpetrated by Libyan agents over Lockerbie, Scotland, killing 270 passengers and people on the ground and the 1990s were to see ever expanding number of terrorist attacks both abroad and inside the United States.

Following attacks on U.S. forces in Yemen and Somalia, foreign terrorists struck the American homeland in February 1993, setting off a bomb in the underground parking lot at New York City's World Trade Center. The bombing of the Alfred P. Murrah Federal Building in Oklahoma City two years later combined with concerns over a potential attack of Aum Shinrikyo cult[59] spurred funding for some counterterrorism activities related to homeland security. Federal expenditures for domestic preparedness against weapons of mass destruction from 1995 to 2000 accelerated from almost nothing to $1.5 billion.[60] President Clinton issued in June 1995 Presidential Decision Directive 39 called *U.S. Policy on Counterterrorism*[61], in which it was declared that "the United States would pursue all efforts to deter and preempt, apprehend and prosecute, or assist other governments to prosecute individuals who perpetrate or plan to perpetrate such attacks."[62]

In 1996, after the unveiling of *Operation Bojinka* (a failed Al Qaeda plot to bomb twelve U.S. airliners mid-air over the Atlantic Ocean, combined with simultaneous assassinations of Pope John Paul II. and President Clinton), a Commission on Aviation Safety and Security led by Vice President Al Gore concluded in its final report that "terrorist attacks on civil aviation are directed at the United States and that

[57] Steven, Graeme, C. S., Gunaratna, Rohan. 2004. *Counterterrorism: A Reference Handbook.* Santa Barbara: ABC-CLIO, Inc., p. 213.
[58] Transcript of President Ronald Reagan Radio Address to the Nation on Terrorism from May 31, 1986 available at: <http://www.presidency.ucsb.edu/ws/index.php?pid=37376#axzz1MNeBcsE3> [accessed 23.4.2011].
[59] In 1995, Aum Shinrikyo was responsible for a successful sarin attack in Tokyo underground. Its anti-American ideology and plans to use the gas in the United States heightened the concerns of the U.S. government of the use of WMD and biochemical weapons by terrorist groups.
[60] Sauter, Mark A., Carafano, James Jay. 2005, p. 17.
[61] Partially de-classified document available at: <http://www.fas.org/irp/offdocs/pdd39.htm> [accessed 23.4. 2011]
[62] Ibid.

there should be an ongoing federal commitment to reducing the threats they pose."[63] Some measures improving the aviation security were adopted in the *Anti-Terrorism Act* of 1996.[64] And among other things, this piece of legislation also raised funding for federal anti-terrorism law enforcement efforts. In 1997, the Nunn-Lugar-Domenici Preparedness Program was launched to train first responders – fire, police, and emergency medical technicians – in 120 of the largest U.S. cities to deal with WMD terrorist attacks.[65]

During the period from 1998 to 2000, Al Qaeda and its supporters continued their attacks abroad, hitting U.S. military facilities and embassies. In 1998, Osama bin Laden pledged to escalate his campaign to drive America from the Middle East. While the Clinton administration ultimately launched diplomatic initiatives, financial crackdowns, prosecutions, covert operations, and even a missile attack against bin Laden and his followers, U.S. policy responses never reflected the enormity of the threat. In the years shortly before 9/11, two bipartisan blue-ribbon commissions warned of the threats of terrorism and unpreparedness of the U.S. government to successfully face them. The first was the 21st Century Commission formed in 1999 and led by former U.S. Senators Warren B. Rudman and Gary Hart. In its final report published in 2000 the Hart-Rudman Commission warned of the growing threat of terrorist attacks on American homeland possibly using nuclear, chemical, or biological weapons in the next 25 years. In order to improve the U.S. capabilities to face this challenge, the Hart-Rudman Commission recommended creation of the "*National Homeland Security Agency* with responsibility for planning, coordinating, and integrating various U.S. government activities involved in homeland security."[66]

The second bipartisan panel was the National Commission on Terrorism formed in 1999 and chaired by Ambassador L. Paul Bremer. Its 2000 report concluded that international terrorism poses an increasing dangerous and difficult threat to America and the United States needs to significantly step up its efforts in order to counter this growing danger, that the priority is prevention of terrorist attacks and the U.S.

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[63] White House Commission on Aviation Safety and Security. 1997. *Final Report to the President.* Washington, D.C.: White House Commission on Aviation Safety and Security. Available at: <http://www.fas.org/irp/threat/212fin~1.html> [accessed 23.4. 2011]

[64] Full version available at: <http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=104_cong_public_laws&docid=f:publ132.104.pdf> [accessed 29.4. 2011]

[65] Alexander, Yonah. 2006, p. 30.

[66] U.S. Commission on National Security/21st Century. 2001. *Road Map for National Security: Imperative for Change* Washington, D.C.: U.S. Commission on National Security/21st Century, p. 15. Available at: <http://www.fas.org/irp/threat/nssg.pdf> [accessed 23.4. 2011].

intelligence and law enforcement communities much use the full scope of their authority to collect intelligence regarding terrorist plans and methods. It also suggested that the President and Congress should reform the system for reviewing and funding departmental counterterrorism programs to ensure that the activities and programs of various agencies are part of a comprehensive plan.[67]

Notwithstanding these recommendations the U.S. government strategies in both the Clinton and early Bush administrations were marked by a focus on the threat abroad rather than at home, treatment of terrorism as a primarily law enforcement issue, competing priorities and limited resources, poor information sharing and analysis.[68] The next sub-chapter will provide an insight into the U.S. intelligence community structure and will attempt to explain why the intelligence community failed to share information and properly warn of the 9/11 attacks.

### *2.2. U.S. Intelligence in the Post-Cold War Environment: Adapting to New Threats*

As mentioned in the previous sections, the security environment underwent a great change after the end of the Cold War and the collapse of the Soviet Union. The communist threat had diminished and there was no apparent threat from any foreign military power or any hostile ideology of comparable reach to that of the Soviet Union.[69] However, different types of threats to U.S. national security emerged.

The main characteristic of these threats is their asymmetric and transnational nature. The transnational aspect of these threats can be characterized by their disrespect for national boundaries and cross border operational mode. These threats include international terrorism, narcotics trafficking, the proliferation of weapons of mass destruction, and organized crime.[70]

Transnational threats and the actors responsible for them were not new for U.S. intelligence; the intelligence community had been active against organized crime and drug traffickers even during the Cold War. Similarly, terrorism was a re-occurring issue

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[67] National Commission on Terrorism. 2002. *Countering the Changing Threat of International Terrorism.* Washington, D.C.: National Commission on Terrorism. Available at: <http://www.fas.org/irp/threat/commission.html> [accessed 23.4. 2011].
[68] Sauter, Mark A., Carafano James Jay. 2005, p.17.
[69] May, Ernest R. 1996. "Intelligence: Backing into the Future". p. 37 in Roy Godson, Ernest R. May and Gary Schmitt (eds.). *U.S. Intelligence at the Crossroads.* Washington: Brassey's.
[70] Definition in: Best, Richard A. 2001. *Intelligence and Law Enforcement: Countering Transnational Threats to the U.S.* Washington, D.C.: Congressional Research Service. Available at: <http://fas.org/irp/crs/RL30252.pdf> [accessed 25.4. 2011].

with recognized threats since 1970s. But as Gregory Treverton points out, the novelty was: (1) in the growing importance of transnational threats, especially of terrorism, and (2) in the range of concern for transnational threats, which (again most notably terrorism) became the primary activity for intelligence.[71]

Also, the spectrum of present and potential transnational threats has been broadening, thus creating the need for the intelligence community to adapt in order to be able to follow this growing number of targets. Whereas during the Cold War the problem was a general lack of information, the post-Cold War environment presented the opposite challenge for the intelligence community – too much information stemming from the vast range of transnational threats. Mark M. Lowenthal, a leading scholar of intelligence studies, contends that "deciding what to focus on in the absence of the overwhelming Soviet threat and in the midst of nearly a decade of severe budget cuts was a daunting managerial challenge".[72]

The terrorist threats did, indeed, stand out among the many other transnational threats identified after the end of the Cold War. Some intelligence officials argued that intelligence agencies did recognize the importance of the terrorist threats and allocated its resources and launched new programs to combat terrorism well before 9/11. As former Director of Central Intelligence (DCI) Robert Gates stated in 1994, the U.S. intelligence community started to readjust its priorities and shifted its resources away from the Soviet and other communist-related targets and missions soon after the collapse of the Soviet Union. For example, in 1980, 58 percent of the whole intelligence community's budget were devoted to following the Soviet-related threats, while by 1993 this figure had dropped to just 13 percent.[73] Even though specific budget figures for the intelligence community are classified, it appears resources were reallocated to fight terrorism. As the conclusions of the Joint Inquiry suggest, despite the time of tight budgets during the 1990s, direct spending on counterterrorism roughly quintupled.[74]

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[71] Treverton, Gregory F. 2009. *Intelligence for an Age of Terror*. Cambridge: Cambridge University Press, p. 22.

[72] Lowenthal, Mark M. 2008. "Intelligence in Transition: Analysis after September 11 and Iraq". p. 227 in Roger Z. George and James B. Bruce (eds.). *Analyzing Intelligence: Origins, Obstacles, and Innovations*. Washington, D.C.: Georgetown University Press.

[73] Robert Gates quoted in Hedley, John. 1996. "The Intelligence Community: Is it Broken? How to Fix it?" *Studies in Intelligence* 39 (5): 14. Available at: <https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/vol39no5/pdf/v39i5a02p.pdf> [accessed 25.4. 2011].

[74] U.S. Senate Select Committee on Intelligence and U.S. House Permanent Select Committee on Intelligence. 2002. Joint Inquiry into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001. *Report of the U.S. Senate Select Committee on Intelligence and U.S. House Permanent Select Committee on Intelligence (Joint Inquiry Final Report)*, p. 257. Available at: <http://www.gpoaccess.gov/serialset/creports/911.html> [accessed 15.4. 2010].

Moreover, both within the Central Intelligence Agency (CIA) and the Federal Bureau of Investigation (FBI) incentives to transform and to address the terrorist threats evolved. According to the testimony of former Director of the FBI (1993-2001) Louis J. Freeh before the 9/11 Commission, the FBI had more than tripled its counterterrorism budget by 1999; it had also doubled the number of agents working on counterterrorism cases and expanded the number of its Joint Terrorism Task Forces (JTTF) to improve coordination with local law enforcement.[75]

George Tenet, Director of Central Intelligence from 1997 to 2003, stated in his testimony before the Joint Inquiry that both the CIA as well as the intelligence community as a whole had focused on the terrorist threats posed by al Qaeda and other Islamist terrorist organizations, such as Hezbollah or Egyptian Islamist Jihad. An interagency approach was adopted through the Counterterrorism Center (CTC), under the auspices of the DCI. Among other CIA initiatives were: a new comprehensive strategy against al Qaeda called "The Plan", a nationwide program for hiring qualified personnel for counterterrorism tasks, a counterterrorism educational programs, and measures taken to improve cooperation with the FBI such as exchange of senior officials.[76]

However, as Gregory Treverton, a renowned intelligence expert, points out, the U.S. intelligence community faced a number of Cold War legacies, which were mismatched to the changed threats. These legacies were all based on divisions and boundaries. On the organizational side, the collection of intelligence was divided into "stovepipes" by source: human intelligence (HUMINT) under the CIA, signals intelligence (SIGINT) under the National Security Agency (NSA), imagery intelligence (IMINT) under the National Geospatial-Intelligence Agency (NGA). The analysis part was also organized primarily by agency and not by issue or problem. The CIA was responsible for "all-source" analysis, but other agencies had their analysis units as well, such as the Defense Intelligence Agency (DIA) under the Department of Defense (DOD). The second division was, thus, on the CIA/DOD line. The CIA was an independent entity, while agencies performing signals and imagery intelligence were located within the DOD. Focusing on one target supported competition between the

[75] Freeh, Louis J. 2004. "On War and Terrorism". *Testimony before the National Commission on Terrorist attack upon the United States*. April 13, 2004. Available at: <http://www.fas.org/irp/congress/2004_hr/freeh_statement.pdf> [accessed 25.4. 2011].
[76] Tenet, George. 2002. *Written Statement for the Record of the Director of Central Intelligence Before theJoint Inquiry Committee*. October 17, 2002. Available at: <http://www.fas.org/irp/congress/2002_hr/101702tenet.html> [accessed 25.4. 2011].

agencies, which proved generally beneficial during the Cold War. But the competition also led to many turf wars between the agencies and had a negative effect on cooperation, which became crucial for countering the transnational threats. The last divide was on the domestic-foreign intelligence axis. Out of concern for civil liberties, the CIA was prohibited from performing internal security functions. These powers were vested in the FBI, which, however, was first and foremost a law enforcement agency, and therefore oriented mostly reactively not preventively. Moreover, the barrier between domestic and foreign intelligence had negative effects on information sharing and cooperation as well.[77]

The intelligence community pre-9/11 attempted to transform itself amid the new terrorist threats by reallocating resources and creating new initiatives. However, the pace of the transformation was not efficient enough given the limited resources as well as the obstacles within the organizations stemming from the Cold War legacy of the institutional design of the intelligence community. As a result, the events of 9/11 highlighted the unpreparedness and ineffectiveness of the U.S. intelligence community to prevent a terrorist attack.

Various commissions and initiatives throughout the 1990's identified most of the deficiencies of the U.S. intelligence community and the importance of adaptation of the intelligence community organization to the transnational threats. Yet, similar to the attempts to create a concentrated counterterrorism effort and unified homeland security policy as recommended by the Hart-Rudman Commission, these recommendations were largely unrecognized by any legislative action.

According to Amy Zegart, a leading expert on U.S. intelligence reform and national security, twelve major bipartisan commissions, governmental studies, and think tank task forces examined the U.S. intelligence community and U.S. counterterrorism efforts between the fall of the Soviet Union in 1991 and the terrorist attacks of September 11, 2001. Zegart contends that "[a]ll of their reports urged reform within intelligence agencies, across the intelligence community and other parts of the U.S. government."[78] Together the studies proposed 514 recommendations on wide range of issues, 340 of them were directed specifically towards improving and fixing the U.S. intelligence community. Yet, none of these recommendations resulted in a substantial change of either the U.S. intelligence community or U.S. government institutions

[77] Treverton, Gregory F. 2009, p. 7.
[78] Zegart, Amy. 2007, p. 27.

responsible for homeland security and counterterrorism. There are a number of reasons why the change before 9/11 did not materialize. These reasons will be examined in the final section of this chapter.

### *2.3. Obstacles to Institutional Change before 9/11*

Answering the question why were the pre-9/11 recommendations largely ignored by national security officials and policymakers requires a multifaceted perspective. The first and largest obstacle was the general aversion of organizations toward reform. Such resistance opposed both internal initiatives espousing change and external attempts imposed through legislation or executive action. The second obstacle is embedded in the very principles of American democracy, which are based on protection of civil liberties, as well as on the fragmentation and decentralization of the U.S. system of government. The third obstacle is based on the rational interests of the U.S. leaders, i.e. the tradeoffs between incentives for change and the actual capabilities to make the change, which largely effect the decision making of the U.S. leaders. This three level approach facilitates creation of an explanatory model of resistance to U.S. government reorganization in order to enhance its ability to face terrorist threats before 9/11 despite the widespread recognition of this threat during the 1990s.

#### *2.3.1. Organizational Obstacles*

As noted in the first chapter, organizations in general do not change easily[79], for government agencies change is even harder[80], and for government agencies involved in homeland security an information sharing it is particularly so.[81] All organizations have to overcome three types of problems when attempting to change: (1) bounded rationality[82] – cognitive limits of individuals affecting the decision-making and management of organizations; (2) structural secrecy or information asymmetry[83] – specialization of subunits preventing knowledge sharing; and (3) liability of time or institutional inertia[84]– growing resistance to change as routines, norms and relationships become established. As Amy Zegart contends, for government agencies these problems

[79] Kaufmann, Herbert. 2005.
[80] Kaufman, Herbert. 1976.
[81] Zegart, Amy. 2007, p.52.
[82] Simon, Herbert A. 1976.
[83] Egeberg, Morton. 2003.
[84] Hannan, Michael T., Freeman John. 1984.

are heightened, because they lack three key advantages that the business organizations enjoy.[85]

The first is the lack of market competition, which in private sector creates the incentives for reform to promote better efficiency and effectiveness if they want to survive. Government agencies do not face this immediate threat of diminishing or replacement due to poor performance. The Congress does have oversight capabilities. However, its powers to dissolve an intelligence agency are limited.

The second advantage that government agencies lack is that the owners and employees of private companies generally want them to succeed and therefore create and support the incentives for change. On the contrary, government agencies' reform is often thwarted by political opponents who obstruct the legislative process, and thus limit the likelihood of success of reform. In the case of the creation of counterterrorism and homeland security agenda, the role of the Department of Defense lobby proved crucial as it effectively blocked many of the initiatives attempting to reorganize national security agencies, including the intelligence community, which would reduced its authority in any way.[86]

The third disadvantage when comparing the government agencies to the private sector are the limits imposed on the actual managerial work of public sector officials, who are bound with bureaucratic red tape and have much less freedom in their decision-making as opposed to managers of private companies. Intelligence officials serve many different consumers from the president, his advisors and members of the Congress, who all have different and often conflicting preferences. This makes it very difficult to make internal adjustments.[87]

### *2.3.2. Democratic Principles*

American democratic principles limited organizational changes enhancing U.S. counterterrorism efforts in two ways. First, as was already mentioned above, there is the fragmented and decentralized political system based on separation of powers, congressional committee system, and majority rule. Within this system it is possible for

[85] Zegart, Amy. 2007, p. 54-56.
[86] Turner, Michael A. 2005. "Intelligence Reform and the Politics of Entrenchment". *International Journal of Intelligence and Counterintelligence* 18 (3): 388.
[87] Zegart, Amy. 2005, p. 95.

political opponents to hinder the enactment of new legislation and thus curb or thwart any reform process altogether.[88]

Another way in which the democratic process negatively influenced the process of improving U.S. counterterrorism abilities on the information sharing level was its emphasis on civil liberties. Any change of the U.S. government, which would led to heightened domestic intelligence or cooperation of CIA on domestic affairs was immediately criticized. Such opposition was based on fears of limiting civil liberties and creating a "big brother" kind of institution – something highly unpopular with the American public.[89]

### *2.3.3. Rational Decision-making*

The last obstacle is a result of the differing capabilities and incentives of decision-makers. Both the president and legislators are well-aware of the difficulty of enforcing a major government reorganization connected with national security issues. The general unpopularity of the topic among voters as well as the community itself lowers the decision-makers incentives even more. Moreover, national security bureaucrats promote their own interests. These are mostly adhering to the status quo, as no agency wants to yield authority or discretion to any other 'rival' organization.[90]

[88] Lahneman, William J. 2007. "U.S. Intelligence prior to 9/11 and Obstacles to Reform". Pp. 89 in Thomas C. Bruneau, Steven C. Boraz (eds.). *Reforming Intelligence: Obstacles to Democratic Control and Effectiveness*. Austin: University of Texas Press.
[89] Davis, Darren W., Silver, Brian D. 2004. "Civil Liberties vs. Security: Public Opinion in the Context of the Terrorist Attacks on America". *American Journal of Political Science* 48 (1): 28-46.
[90] Zegart, Amy. 2007, p. 58.

### *2.4. Conclusion*

This chapter has explored the challenges facing the United States' faced in adapting to threats of transnational terrorism after the fall of the Soviet Union. These threats were not new to U.S. national security officials. Yet, they were viewed as marginal in the Cold War context. U.S. counterterrorism strategies concentrated on threats emanating from state-sponsored terrorism focused on U.S. targets abroad. It was not only until shortly before 9/11 that the possibility of devastating terrorist attack on the American homeland was expressed by a Congressional Commission, which called for a concerted effort to protect the homeland. Other various reform initiatives during the 1990s recommended reform within the U.S. intelligence community in order to improve its abilities to collect, analyze and first and foremost share information on terrorist threats.

However, none of the recommendations materialized in a substantial change of U.S. counterterrorism policy able to face terrorist attack. One influential approach based on historical experience suggests that real reform or change is only possible amid a catastrophe or crisis. Pearl Harbor and entrance into WWII were the impetus leading to the creation of the CIA and a subsequent restructuring of the whole system of the U.S. national security. Only after the events of 9/11 and from the perspective of hindsight did the deficiencies of the U.S. counterterrorism abilities become widely visible and hence impossible to ignore. The question of whether the worst terrorist attack in the history of the United States was a catalyst strong enough to promote efficient U.S. government reorganization and endorse a unified homeland security agenda will be examined in the following chapters of this thesis.

## 3. Immediate Reaction to 9/11: Introducing the Homeland Security Agenda

The terrorist attacks of September 11, 2001 were unprecedented in American history. Their extent and brutality, combined with the fact that they were carried out on the American soil, provided a unique opportunity for the largest transformation of the U.S. government since 1947. The shocked American public was willing to sacrifice some of its civil liberties in exchange for protection. Also, the rational self-interests of the President as well as the legislators shifted towards support for government reorganization.

In the immediate reaction to 9/11, President Bush and the U.S. Congress promoted initiatives focused on improving the U.S.'s domestic counterterrorism strategy. The first initiative, included enacting the USA Patriot Act, which had a positive impact on the highly criticized deficiency of information sharing as it removed the barriers of information sharing between the law enforcement and intelligence agencies.

The second initiative was the proposition of a comprehensive homeland security agenda. The first step was an establishment of the White House Office of Homeland Security (OHS), by executive order of the president, in early October 2001. The OHS was envisaged to coordinate the dozens of agencies from the U.S. Coast Guard and the U.S. Border Patrol, to the Immigration and Naturalization Service (INS) and the Federal Emergency Management Agency (FEMA) responsible for the protection of homeland security. Yet this model soon proved to be insufficient and an initiative to create a new Department of Homeland Security was introduced in the National Strategy of Homeland Security.

This chapter will first present the main provisions included in the USA Patriot Act, and then the processes behind the creation of the homeland security agenda will be examined. As was the case with the pre-9/11 context of the U.S. homeland security government reorganization, these initiatives also serve as an input factor to the evaluation of the final outcome of the creation of a unified and efficient homeland security system.

### *3.1. USA Patriot Act*

Within days of the 9/11 attacks, "the Bush administration presented Congress with proposals to expand police and prosecutorial powers to enhance the fight against terrorism".[91] Six weeks later, these proposals culminated in the adoption of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act*, or the USA Patriot Act.[92] It passed both the House of Representatives and the Senate by wide margins – 375 to 66 and 98 to 1 respectively.[93] As a result of the speedy manner in which Congress presented (Oct. 23), debated, and implemented this policy (voting in the House was held on Oct. 24 and in the Senate on Oct. 25) there was little controversy surrounding its inception.[94]

The main aim of the USA Patriot Act was to strengthen the abilities of the U.S. government agencies to collect and share information regarding ongoing investigations of terror plots. Another aim was to enable the U.S. government to be better equipped to identify, investigate, follow, detain, prosecute and punish suspected terrorists. Among the most important provisions in the Act included the following:[95]

- It allowed for federal warrants to be effective nationwide and no longer limited to special districts;
- It enabled law enforcement to obtain subpoena power for alleged terrorists' communications, including fixed and wireless telephones, e-mail, web surfing, as well as unopened voice mail and e-mail;
- It attached roving wiretaps to alleged terrorists and thereby eliminated the need for the government to request wiretaps for specific telephone numbers as previously required;

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[91] Nacos, Brigitte L. 2005. *Terrorism and Counterterrorism: Understanding Threats and Responses in the Post-9/11 World.* New York: Penguin Academics, p. 167.

[92] For full version of the USA Patriot Act see: Public Law 107-56- 107th Congress. Available at: <http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:publ056.107.pdf> [accessed 28.4. 2010].

[93] For final results for the roll call in the House of Representatives see <http://clerk.house.gov/evs/2001/roll398.xml>, the Senate roll call data is available at: <http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=107&session=1&vote=00313> [accessed 28.4. 2010].

[94] Noftsinger, John B., Newbold, Kenneth F., Wheeler, Jack K. 2007. Understanding Homeland Security: Politics, Perspectives and Paradoxes. New York: Palgrave Macmillan, p. 57.

[95] Summary based on Doyle, Charles. 2005. "Terrorism: Section by Section Analysis of the USA Patriot Act". Pp. 1-82 in Alphonse B. Ewing (ed.). *The USA Patriot Act Reader*. New York: Nova Publishers.

- It improved coordination and cooperation, such as information gathering between US intelligence and law enforcement investigators, with respect to terrorist organizations;
- It allowed law enforcement to use new subpoena power to obtain payment information such as credit card or bank account numbers, of suspected terrorists who are utilizing the Internet;
- It created rules to counter terrorists' access to, and use of illicit funds as well as to prevent or impede other improper terrorist activities; and
- It aimed to punish those who aided or harbored terrorists.

The importance of the USA Patriot Act with regards to the U.S. intelligence was embedded in the provisions, which enhanced domestic surveillance as an amendment of the Foreign Intelligence Surveillance Act of 1978. Also, the Act provided for possible sharing of information on criminal probes between law enforcement and intelligence agencies and other parts of the government. Thus, eliminating one of the main deficiencies of the U.S. counterterrorist intelligence criticized even before 9/11.

When President Bush signed the USA Patriot Act, "he declared that the purpose of the legislation was the pursuit, the defeat, and the bringing to justice of the terrorists who declared war on the United States. His message was a reflection of the new national security policy of the United States: Preventive action against American enemies before they can strike against the United States."[96]

However, the USA Patriot Act was only a quick fix to some of the main information sharing deficiencies. It did not (and was not intended to) address the structural problems of the U.S. counterterrorism coordination. That was the task of the two following initiatives.

### *3.2. Office of the Homeland Security*

The first steps in creating a unified policy and strategy of U.S. homeland security were undertaken less than one month after the attacks. On October 8, 2001 Tom Ridge, a former governor of Pennsylvania, was appointed as the Assistant to the President for Homeland Security and the Director of the newly established Office of Homeland Security (OHS). The Office's mission was to "develop and coordinate the

[96] Ball, Howard. 2005. *U.S. Homeland Security: A Reference Handbook.* Santa Barbara: ABC-CLIO, Inc., p. 20.

implementation of a comprehensive strategy to secure the United States from terrorist threats or attacks. The Office's objective was to coordinate the executive branch's efforts to detect, prepare for, prevent, protect against, respond to, and recover from terrorist attacks within the United States."[97]

At the end of October 2002, the Homeland Security Council (HSC) was created by the President. Tom Ridge was put in charge of this Council. Among the members of the HSC were: the President and the Vice-President, Secretaries of Treasury, Defense, and Health Care, the Attorney General, the Director of Federal Emergency Management Agency (FEMA), the Director of FBI, and the Director of CIA. The HSC's role was to ensure the coordination of all homeland security related activities across the whole spectrum of federal, state and local offices and agencies.

However, this model of a so called "presidential advisor" proved insufficient. "In particular, critical voices in Congress pointed to inherent weaknesses in Ridge's post. Without any budget authority, they argued, the Homeland Security czar lacked sufficient human and financial resources, had no way to enforce decisions, and relied primarily on the power of persuasion, albeit as a trusted advisor with unfettered access to President Bush."[98]

According to Howard Ball, a distinguished homeland security scholar, Director Ridge "lacked substantive budgetary authority in two major ways: first, the executive order creating the OHS did not give Ridge that power; and second, it did not enable Ridge to formally certify the budget proposals of other entities with homeland security responsibilities that he was to coordinate."[99] As has been noted, "budgetary control is the key to influencing policy, and centralization of responsibility is essential to improving policy."[100] Without budgetary authority over the agencies responsible for providing domestic, or homeland, security, Ridge was powerless to compel agencies to cooperate with one another and with him.

On the other hand, there also existed fears of Ridge's excessive influence that went beyond congressional accountability. These fears led Democratic Senator Joe Lieberman to propose in May 2002 a full-scale reorganization of the federal bureaucracy and a creation of a new department dealing with the questions of homeland

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[97] Alexander, Yonah. 2006, p.38.
[98] Conley, Richard S. 2006. "Reform, Reorganization, and the Renaissance of the Managerial Presidency: The Impact of 9/11 on the Executive Establishment". *Politics & Policy* 34 (2): 317.
[99] Ball, Howard, 2005, p. 29.
[100] Daadler, Ivo H., Lindsey, James. M. 2003. *America Unbound: The Bush Revolution in Foreign Policy.* Washington, D.C.: The Brookings Institution, p. 70.

security. Even though President Bush had previously rejected proposals for such full-scale government reorganization, the need for this change became imminent. Therefore, in June 2002 President Bush introduced his own proposal that "sought to maximize presidential influence over any new cabinet-level department".[101]

In his speech to the nation on June 6, 2002,[102] President Bush emphasized the need for essential reorganization of government by creating the Department of Homeland Security that would help the government to deal more effectively with the new threats of the 21st century. President Bush called for "creating a single permanent department with an overriding and urgent mission—securing the American homeland and protecting the American people." He continued, "By ending duplication and overlap, we will spend less on overhead, and more on protecting America. This reorganization will give the good people of our government their best opportunity to succeed, by organizing our resources in a way that is thorough and unified."[103]

The new National Strategy for Homeland Security prepared by Ridge's OHS team was also introduced by the President in this speech.

### *3.3. National Homeland Security Strategy*

The National Strategy for Homeland Security, issued on July 16 2002, introduced three main strategic objectives of combating terrorism on the domestic level: "(1) prevent terrorist attacks within the United States; (2) reduce America's vulnerability to terrorism; and (3) minimize the damage and recover from attacks that do occur."[104] The National Strategy for Homeland Security was divided into six key mission areas within which the strategy was supposed to operate. The first three areas were focused on the first objective of prevention, while the other two focused on the second aim of reducing vulnerability and the last focused on damage minimization and recovery. The framework of six critical mission areas was established as follows:

- *Intelligence and Warning* area, which included creation of an integrated federal approach to gathering, analysis, production, and sharing of information from both classified and open sources;

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[101] Ibid.
[102] Bush, George W. 2002a. *Remarks by the President in Address to the Nation.* Transcription available at: <http://georgewbush-whitehouse.archives.gov/news/releases/2002/06/20020606-8.html > [accessed 30. 4. 2011].
[103] Ibid.
[104] *National Strategy for Homeland Security*, p.3.

- *Border and Transportation Security* area, which was aimed at preventing terrorists and terrorist materiel in entering the country by creating an interconnected system of border and transport infrastructure control that simultaneously secures the legitimate flow of people and goods;
- *Domestic Counterterrorism* area, which was focused on support for old and evolution of new intelligence and law enforcement efforts to identify terrorists and their supporters, prevents them from carrying attacks, and to arrest and prosecute them;
- *Protecting Critical Infrastructure and Key Assets* area, which involved precise and complete identification and prioritization of the U.S. infrastructure, including virtual networks, and assessment of consequences and connections among the infrastructures;
- *Defending Against Catastrophic Threats* area, which was primarily focused on detection, deterrence, prevention, and management of the consequences of terrorist use of weapons of mass destruction; and
- *Emergency Preparedness and Response* area, which was aimed at minimizing the damage and rapid recovering from terrorist attacks which may occur.

The National Strategy for Homeland Security also identified the Department's key role "as the unifying core of the vast national network and institutions involved in homeland security"[105] and its main challenge in developing "complementary systems that avoid duplication and ensure essential requirements are met."[106] Moreover, it stressed that in order to meet the terrorist threat, the collaboration and coordination must be increased "in law enforcement and prevention, emergency response and recovery, policy development and implementation so that public and private resources are better aligned to secure the homeland".[107]

### *3.4. Conclusion*

The Bush administration reacted to the shocking events of 9/11 by proposing two different immediate initiatives: one legislative – the USA Patriot Act, and the other

[105] Ibid., p. 11.
[106] Ibid., p. 11-12.
[107] Ibid., p. 12.

executive – creation of the Office of Homeland Security by the Presidential Executive Order. Initially, President Bush and his advisers did not believe that that a permanent bureaucracy was needed. The "very notion [of a DHS] ran counter to the Republican mantra of fighting against big government."[108] However, by the spring 2002, the Bush administration changed course and started to prepare a draft proposal of government reorganization going against a proposal drafted by Senator Lieberman.

The next chapter will first analyze the political motivations for this sudden change and then will look in more detail on the final reorganization process of agencies within the Department of Homeland Security.

[108] Brzezinski, Matthew. 2004. *Fortress America.* New York: Bantam, p. 178.

# 4. Creating the Department of Homeland Security: A Domestic Counterterrorism Umbrella

According to Chris Hornbarger, "prior to 9/11, eleven of fourteen cabinet departments (State, Treasury, Defense, Justice, Interior, Agriculture, Commerce, Health and Human Services, Transportation, Energy, and Veterans Affairs), plus a host of independent and subordinate agencies (for example, the CIA, and FEMA) bore substantial responsibility for key aspects of homeland security".[109] This situation has changed with the Department of Homeland Security, which was established by the Homeland Security Act enactment on November 25, 2002.[110] The new department combined twenty two agencies with approximately 180,000 employees including "such disparate organizations as: the new Transportation Security Administration (TSA) (Transportation), the Secret Service (Treasury), FEMA, the Federal Law Enforcement Training Center (FBI), and the Critical Infrastructures Assurance Office (Commerce)".[111] It became the fifteenth department in the history of U.S. government and a third biggest department of the Bush administration.

In the first part of this chapter, the political motivations and processes behind the crafting of the new department will be analyzed. Also, the original organizational structure of DHS and its main functions will be discussed. The second part of this chapter will present the results of the organizational rearrangements of the department after Michael Chertoff's assumption of the post of Secretary of Homeland Security. The last section will deal in detail with the information and intelligence sharing aspect of homeland security and the role of DHS.

## *4.1. Crafting the New Department*

As mentioned in the previous chapter, President Bush originally opposed the massive government reorganization promoting the Republican approach that opposed "big government." When Senator Joseph Lieberman and moderate Republican Arlen Specter introduced their bill proposal to create a cabinet-level agency responsible for homeland security, one subject to congressional oversight, "the Bush administration

[109] Hornbarger, Chris. 2006. "National Strategy: Building Capability for the Long Haul". P. 280 in Russell D. Howard, James J.F. Forest, Joanne C. Moore (eds.). *Homeland Security and Terrorism: Readings and Interpretations*. New York: McGraw-Hill.
[110] *Homeland Security Act*. Public Law 107-296, November 25, 2002. Available at: <http://www.dhs.gov/xlibrary/assets/hr_5005_enr.pdf> [accessed 2.5. 2011].
[111] Haynes, Wendy. 2004. "Seeing around Corners: Crafting the New Department of Homeland Security". *Review of Policy Research*. (21): 3: 369.

furiously opposed the plan arguing that homeland security was an executive function, one that could be adequately coordinated only in the White House."[112]

Nevertheless, pressure grew to create such a top-level homeland security department with congressional oversight. As Howard Ball contends, "during spring 2002, at least eight different proposals were floating around Congress, all calling for a cabinet level DHS."[113] Under these circumstances, and with the November 2002 congressional elections looming, the Bush administration felt it could not let the Senate Democrats take the lead on homeland security. According to a group of researches from the Center for Defense Management Reform, the White House concluded that is it wanted to take back the homeland security issue and nothing but the biggest merger in modern history would do.[114]

As Paul C. Light points out "there is nothing quite like the homeland security merger in the history of the federal government. The creation of the Defense Department after World War II involved more people, but the Homeland Security merger involved many more agencies, split and recombined many of their component parts, and, astoundingly, demanded that they focus on a mission almost none of them had ever dealt with before: combating terrorism."[115] Moreover, Congress wanted the new department to operate without any budget or personnel increases. Savings were supposed to come from the elimination of duplication and overlap. The department's different agencies were expected to incorporate the war on terrorism into their existing missions, and somehow find enough dollars and employees to add it to their already complicated mandates: "The budget was so small that finding funds was a constant preoccupation. Touted as receiving forty billion dollars, DHS received far less in new money. One-third of the money went to other agencies such as the Pentagon, and most of the other twenty-seven billion is not new money. Five of the twenty-two agencies had a total budget of nineteen billion dollars, which they brought with them, and this is counted in the forty billion dollar figure."[116]

After the Congress passed the Homeland Security Act on November 19, President Bush issued the following statement to the nation: "The United States

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[112] Byrd, Robert C. 2004. *Losing America: Confronting a Reckless and Arrogant Presidency.* New York: W.W. Norton, p. 102.
[113] Ball, Howard. 2005, p. 28.
[114] Brook, Douglas A., King Cynthia, L., Anderson, David, Bahr, Joshua. 2006. *Legislating Civil Service Reform: The Homeland Security Act 2002.* Monterey, CA: Naval Postgraduate School.
[115] Light, Paul, C. 2007. "The Homeland Security Hash." *Wilson Quarterly* 31 (2): 40.
[116] Perrow, Charles. 2006, p. 11.

Congress has taken an historic and bold step forward to protect the American people by passing legislation to create the Department of Homeland Security. This landmark legislation, the most extensive reorganization of the Federal Government since the 1940s, will help our Nation meet the emerging threats of terrorism in the 21st Century."[117] Six days later when signing the bill into existence, the President added, "The continuing threat of terrorism, the threat of mass murder on our soil will be met by a unified, effective response." [118]

The legislation combined together some of the best (e.g. U.S. Coast Guard) and worst (Customs Service) agencies in the federal government.[119] One of the first tasks for Tom Ridge as the newly appointed Secretary of Homeland Security was to organize the DHS. The primary functions were divided among five directorates, each headed by an undersecretary. Four of the directorates directly corresponded to four out of the six critical mission areas set forth in the National Strategy for Homeland Security. The following overview of the individual directorates draws on analysis undertaken by Philip B. Purpura and Wendy Haynes.[120] In Appendix 1, it is possible to see the original organizational structure including the former affiliation of each agency newly incorporated under the DHS.

> **Management Directorate** was established to operate several administrative functions in support of the DHS. These include the budget, appropriations, accounting, procurement, human resources, information technology, property, equipment, facilities, and performance evaluations.
>
> **Border and Transportation Security Directorate** became the largest directorate, coordinating the functions of the following federal agencies: U.S. Customs Service, Immigration and Naturalization Service Enforcement Division, Animal and Plant Health Inspection Service, Transportation Security Administration, Office for Domestic Preparedness, and Federal

[117] Bush, George W. 2002b. *Statement by the President.* Transcription available at: <http://georgewbush-whitehouse.archives.gov/news/releases/2002/11/20021119-4.html> [accessed 2.5. 2011].
[118] Bush, George W. 2002c. *Remarks by the President at the Signing of H.R. 5005 the Homeland Security Act of 2002.* Transcription available at: <http://georgewbush-whitehouse.archives.gov/news/releases/2002/11/20021125-6.html> [accessed 2.5. 2011].
[119] According to a research conducted by the Executive Magazine's "Government Performance Project" which concluded shortly before the merger.
[120] Purpura, Philip B. 2007. *Terrorism and Homeland Security: An Introduction with Applications.* Boston: Elsevier Butterworth-Heinemann, Pp. 130-132, and Haynes, Wendy. 2004, p. 370.

Protective Service. The major goal of this directorate was the security of air, land, and sea borders and transportation systems. Its other tasks also included securing access points and preventing the entry of terrorists and contraband into the United States; administration and enforcement of rules governing entry into the United States and immigration; enforcing the customs laws of the United States; and improving homeland security communications systems.

**Emergency Preparedness and Response Directorate** was designed to include the Federal Emergency Management Agency, with the goals of preparing for and responding to natural and technological disasters and terrorism. Its tasks, among others, included managing disasters in coordination with local and state first responders; administering the disaster relief fund; and emphasizing risk management to include preparedness, prevention, response, and recovery.

**Information Analysis and Infrastructure Protection (IAIP) Directorate** was focused on the anticipation of terrorist threats, protection of critical infrastructure and cyberspace, and sharing threat information. Information analysis tasks included identifying and assessing the nature and scope of terrorist threats; administering the five-color-coded Homeland Security Advisory System; ensuring the efficient collection and sharing of information within the DHS and with external partners; establishing and utilizing a secure and fully compatible National Security and Emergency Preparedness communications system; and conducting training on information analysis and sharing for all levels of government. The main infrastructure protection tasks consisted of assessing the risks of the critical infrastructure of the United States; planning the protection of critical infrastructure; providing technical assistance and crisis management support to the public and private sectors; and providing specific warning information to the public and private sectors.

**Science and Technology Directorate** was established to facilitate research and development aimed at preventing and mitigating WMD and other

> threats. The DHS sought to use research to prevent catastrophic losses of life and major economic impact. Its tasks consisted of developing new vaccines, antidotes, diagnostics, and therapies to combat biological and chemical weapons; facilitating the development, testing, evaluation, and deployment of homeland security technologies; and awarding competitive grants to the public and private sectors to conduct research.

The overview above of the main tasks of the newly created DHS clearly demonstrates how many different roles were expected from the department to be fulfilled. However, the department had to face a number of challenges from its creation. The biggest problem was a lack of organizational culture. As Howard Ball points out, "[u]nder the Homeland Security Act, almost 200,000 government employees, working in two dozen federal agencies for decades, now found themselves in the DHS but doing precisely the same jobs, reporting to the same congressional committees, functioning and being evaluated according to the norms, traditions, customs - in short, the 'culture' - of their old agencies."[121] The problem is compounded because the new department did not have a culture, did not have norms and standards for reporting. Thus, the DHS employees were forced to act as if they had two masters, one being the DHS, the other being the agency they were accustomed to working for.

Another problem connected with the inefficient organizational culture is the conflict between the counterterrorism mission and the non-terrorism related tasks. According to Paul C. Light "[o]nly 65 percent of the Department's budget is spent on programs properly defined as homeland security. The Department of Homeland Security includes bureaucratic pieces that do not belong in an organization designed to protect the nation from terrorism. It may have a mission statement, but it lacks a unified mission."[122] Because the Congress did not allow any budget or personal increases on top of the already allocated budgets of the respected agencies, savings were supposed to come from the elimination of duplication and overlap. As such, the department's different agencies were expected to incorporate the counterterrorism measures into their existing missions and somehow find enough money and employees to add it to their already complicated mandates.

Charles Perrow concludes that the new department merged agencies that, along

[121] Ball, Howard. 2005, p. 49.
[122] Light, Paul, C. 2007, p. 37.

with their security roles, had responsibilities for such activities unrelated to terrorism such as fisheries, river floods, animal diseases, energy reliability, computer crime, citizenship training, tariffs on imports, drug smuggling, and the reliability of telephone networks.[123] Thus, the move under the homeland security umbrella was not likely to increase their performance, since some non-security functions (fishing rights, computer crime, tariffs, etc.) might have benefited from staying close to other agencies that were not brought in to the new department.

Moreover, the multiple and often confusing missions hampered intra-department cooperation. Clashing organizational cultures distracted agency managers and made it hard for agency officials to synchronize their operations. As Donald Kettl emphasizes, "no agency wanted to surrender its autonomy to others."[124]

In addition to the institutional "challenge of merging 22 federal agencies into a single organization, the department was hampered by Congress's refusal to reorganize its oversight process: As a result, DHS at one point had to report to no fewer than 88 congressional oversight committees."[125] With that many committees and sub-committees it was virtually impossible to have directed and focused oversight. Yet these committees refused to reshape their jurisdictions to match all the organizational shifts that occurred.[126]

In December 2004, an independent task force charged with examining the organization and operations of the DHS issued a final report in which it recognized that "the current organization of DHS must be reformed because it hampers the Secretary of Homeland Security's ability to lead our nation's homeland security efforts. The organization is weighed down with bureaucratic layers, is rife with turf warfare, and lacks a structure for strategic thinking and policymaking. Additionally, since its creation, whether one looks at the department's capacity to organize and mobilize a response**…**the department has been slow to overcome the obstacles to becoming an effective 21st century national security instrument."[127]

The task force developed 40 major recommendations, which made a case for a significant reorganization of the department to make it a more effective and efficient

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[123] Perrow, Charles. 2006, p.12.
[124] Kettl, Donald F. 2007, p. 60.
[125] Rosen, Jeffrey. 2008. "Man-Made Disaster". *New Republic,* December 24, 2008. Available at: <http://www.tnr.com/article/man-made-disaster> [accessed 3.5. 2011]
[126] Ball, Howard. 2005, p. 55.
[127] Carafano, James J., Heyman David. 2004. *DHS 2.0: Rethinking the Department of Homeland Security.* Washington, D.C.: Center for Strategic and International Studies, p.7. Available at: <http://csis.org/files/media/csis/pubs/041213_dhsv2.pdf> [accessed 3.5. 2011].

instrument for preventing and responding to terrorist threats. Some of these recommendations were taken into account during the review process launched by new Secretary of Homeland Security, Michael Chertoff, in 2005. This process and organizational change stems from this reevaluation and will be discussed next.

### *4.2. Re-Crafting the Department: 2nd Stage Review Reorganization*

In one of his first actions as Secretary of Homeland Security Tom Ridge's successor, Michael Chertoff, announced on March 2, 2005, the day before he was sworn in as Secretary, in testimony before the House Appropriations Subcommittee on Homeland Security that he was "initiating a comprehensive review of the department's organization, operations, and policies."[128] This agenda resulted from what he called a *Second Stage Review*, or *2SR*, and involved, as Chertoff said, "a systematic evaluation of the Department's operations, policies and structures."[129] Indeed, as Secretary Chertoff explained, 2SR involved the evaluation of a variety of operational and policy issues, and among those was "the DHS organizational structure, to make sure that our organization is best aligned to support our mission."[130]

The main outcome of this review was a so-called *Six-point Agenda* of the department's reorganization in order to: (1.) Increase overall preparedness, particularly for catastrophic events; (2.) Create better transportation security systems to move people and cargo more securely and efficiently; (3.) Strengthen border security and interior enforcement and reform immigration processes; (4.) Enhance information sharing with our partners; (5.) Improve DHS financial management, human resource development, procurement and information technology; and (6.) Realign the DHS organization to maximize mission performance.[131]

The change in organizational structure of DHS after the 2SR can be reviewed in Appendix 2. One of the most significant changes that occurred as result of the 2SR was

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[128] Relyea, Harold C., Hogue, Henry B. 2005. *Department of Homeland Security: The 2SR Initiative.* Washington, D.C.: Congressional Research Service, p. 2. Available at: <http://www.fas.org/sgp/crs/homesec/RL33042.pdf> [accessed 3.5. 2011].

[129] Chertoff, Michael. 2005. *Secretary Michael Chertoff U.S. Department of Homeland Security Second Stage Review Remarks.* Transcription available at: <http://www.dhs.gov/xnews/speeches/speech_0255.shtm> [accessed 3.5. 2011].

[130] Ibid.

[131] Department of Homeland Security. 2005. *Department Six-point Agenda*. Washington, D.C.: Department of Homeland Security, Available at: <http://www.dhs.gov/xabout/history/editorial_0646.shtm> [accessed 3.5. 2011].

an organizational restructuring of the department.[132] Secretary Chertoff asserted that these changes are being made "to increase [the Department's] ability to prepare, prevent, and respond to terrorist attacks and other emergencies."[133] As part of the reorganization a new *Directorate of Policy* was created to centralize and improve policy development and coordination. This directorate was to serve as the primary department-wide coordinator for policies, regulations and other initiatives. It was created to ensure the consistency of policy and regulatory development across various parts of the department as well as to perform long-range strategic policy planning. It assumed the policy coordination functions previously performed by the *Border and Transportation Security Directorate*.

A new *Office of Intelligence and Analysis* was created to strengthen intelligence functions and information sharing. This office was tasked to ensure that information is gathered from all relevant field operations and other parts of the intelligence community; analyzed with a mission-oriented focus; is informative to senior decision makers; and disseminated to the appropriate federal, state, local, and private-sector partners. Led by a chief intelligence officer who reports directly to the secretary, this office was comprised of analysts within the former information analysis directorate and draw on the expertise of other DHS components with intelligence collection and analysis operations.[134]

Also, a new *Director of Operations Coordination* position was created to improve coordination and efficiency of operations. This official's responsibilities include working to enable DHS to more effectively conduct joint operations across all organizational elements; coordinating incident management activities; and utilizing all resources within the department to translate intelligence and policy into immediate action. The Homeland Security Operations Center, which serves as the nation's nerve center for information sharing and domestic incident management on a full-time basis, was made a critical part of this new office.

The last substantial change under the 2SR gave FEMA direct access to the Secretary of Homeland Security in order to improve national response and recovery efforts by focusing FEMA on its core functions. Under the new DHS proposed by the

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[132] Following overview is based on Bullock, Jane et al. 2006. *Introduction to Homeland Security.* Boston: Elsevier Butterworth-Heinemann, pp. 112-114.
[133] Chertoff, Michael. 2005.
[134] For a detailed overview of all Office of Intelligence and Analysis divisions and their functions see: Studeman, Michael W. 2007. "Strengthening the Shield: U.S. Homeland Security Intelligence". *International Journal of Intelligence and Counterintelligence* 20 (2): 201-204.

agenda, FEMA's main focus was targeted on response and recovery.

The next part of this chapter will focus on the information sharing and intelligence aspect of homeland security.

### *4.3. Homeland Security Intelligence*

"Information must be fully shared, so we can follow every lead,"[135] said President Bush in his June 6, 2002 address. One of the DHS's four directorates, the Information Analysis and Infrastructure Protection Directorate (IAIP) and after 2SR the Office of Intelligence and Analysis were intended to fulfill one of the most critical homeland security functions – to improve the intelligence sharing and dissemination of information. They were tasked with coordinating and analyzing intelligence information about terrorist threats to the United States, assessing vulnerabilities to U.S. infrastructure, and disseminating information to the private sector and to relevant federal, state, and local officials. The IAIP was to "fuse and analyze intelligence and other information pertaining to threats to the homeland from multiple sources – including the CIA, NSA, FBI, INS, DEA, DOE, Customs, DOT and data gleaned from other organizations."[136]

In June 2002, the former Director of Central Intelligence (DCI) George Tenet testified before the Government Affairs Subcommittee that while there was a foreign intelligence community and numerous law enforcement agencies, a cohesive body never existed that was solely responsible for homeland security. In discussing the eventual creation of the Department of Homeland Security (DHS), Tenet proclaimed that DHS would not duplicate the roles of foreign intelligence or law enforcement, but would rather "merge under one roof the capability to assess threats to the homeland, map those threats against our vulnerabilities, and take action to protect America's key assets and critical infrastructure."[137] Significantly, he stated that DHS would review intelligence and "provide and develop an action plan to counter the threat."[138] He explained that, by making security enhancements to infrastructure, the costs and risks for terrorists to operate in the United States would increase. He further elaborated that the Central

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[135] Bush, George, W. 2002a.
[136] President of the United States. 2002. *The Department of Homeland Security.* Available at: <http://fl1.findlaw.com/news.findlaw.com/hdocs/docs/gwbush/hmlndsecjun02prbush.pdf> [accessed 3.5. 2011].
[137] Tenet, George. 2002a. *Testimony of the Director of Central Intelligence before the Government Affairs Subcommittee.* June 27, 2002. Available at: <https://www.cia.gov/news-information/speeches-testimony/2002/dci_speech_06272002.html> [accessed 3.5. 2011]

Intelligence Agency's (CIA) counterterrorism mission for years had "been to understand and reduce the threat."[139] DHS's new mission, in contrast, would be to "understand and reduce the nation's domestic vulnerability."[140]

Nevertheless, the original support for DHS's intelligence role quickly withered. In a rather surprising move, President Bush circumvented the newly established DHS's intelligence directorate and proposed an establishment of a new Terrorist Threat Integration Center (TTIC) in January 2003.[141] The TTIC was created under the Director of Central Intelligence (DCI), to coordinate and provide comprehensive analysis to the president and federal agencies on terrorist threats – the very task originally envisioned for the DHS.

The TTIC was designed to integrate and analyze all terrorist threat information collected domestically and abroad and to design a database of known and suspected terrorists that could be accessed by federal, state, and local officials across the United States. It was also focused on examining regional threats, such as Middle Eastern terrorist organizations, as well as functional threats, such as WMD and cyber attacks. It was staffed by representatives from the CIA, FBI, DHS, and other bodies from the Departments of Defense and State such as the NSA, NGA, and Defense Intelligence Agency. Even though, it was legally not part of the CIA (officially it reported to the DCI), in practice the distinction was much less clear as the CIA effectively controlled its functions – it was placed under the CIA's budget and was located at CIA headquarters.[142]

Although created to improve coordination and sharing, the TTIC has caused confusion within the federal government about the respective roles of the TTIC and the DHS. Its creation duplicated functions of the IAIP and greatly undermined its mandate.

According to Stephanie Cooper Blum, the newly created department had to face three major problems with regards to intelligence and information sharing: (1.) lack of respect and resources; (2.) a decision not to give DHS access to raw intelligence; a and

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[138] Ibid.
[139] Ibid.
[140] Ibid.
[141] Bush George W. 2003. *The 2003 State of the Union Address.* Complete transcript available at: <http://georgewbush-whitehouse.archives.gov/news/releases/2003/01/20030128-19.html > [accessed 3.5. 2011].
[142] For summary of TTIC's responsibilities and functions see <http://www.fas.org/irp/news/2004/04/ttic041304.pdf> [accessed 3.5. 2011].

(3.) competition and potential overlap in mission with the TTIC.[143] As Cooper Blum points out four months after DHS's creation, the IAIP — the intelligence unit of DHS — was "understaffed, unorganized and weak-willed in bureaucratic struggles with other government agencies."[144] Moreover, DHS was competing for intelligence professionals with the higher-profile FBI, CIA, and TTIC.[145]

Another problem was the impossibility to access raw intelligence. When Congress created the DHS in 2002, it did not transfer to the new agency existing government intelligence and law enforcement agencies. Rather, Congress sought an analytical office that would use the products from other agencies such as the FBI and CIA to provide necessary warning of terrorist attacks; conduct vulnerability assessments of key resources and infrastructure; and make recommendations for remedial actions at the federal, state, and local levels as well as to the private sector. Thus, DHS had neither the power to collect intelligence nor any tasking authority over other agencies. Rather than integrating the CIA, FBI and other agencies, the IAIP had to beg to obtain information from them.[146] Both the CIA and the FBI strongly resisted handing over significant power to DHS. And both agencies increased, rather than decreased their homeland security functions. According to Seth Jones, "White House and congressional support for DHS faded quickly. Most policymakers believed either that DHS was unable to perform terrorist threat analysis adequately, or that other departments within the federal government could do it better."[147] And Richard Bets adds that it was concerns that DHS was a "new and untested agency" tasked with producing all-source intelligence led to the Bush administration deciding that DHS would not be given raw intelligence from the CIA and the FBI.[148]

Therefore the responsibility for coordinating intelligence sharing and evaluation was given to the TTIC, which became operational in May 2003. It was a multiagency entity with "access to information systems and databases spanning the intelligence, law

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[143] Cooper Blum, Stephanie. 2010. "The Department of Homeland Security and Intelligence: Past, Present, and Future". P. 80 in Keith Gregory Logan. *Homeland Security and Intelligence.* Santa Barbara: ABC-CLIO, Inc.
[144] Ibid.
[145] Mintz, John. 2003. "At Homeland Security, Doubts Arise over Intelligence". *Washington Post* July 21, 2003. Available at: <http://www.commondreams.org/headlines03/0721-05.htm> [accessed 3.5. 2011].
[146] Perrow, Charles. 2006, p. 22.
[147] Jones, Seth G. 2006. "Terrorism and the Battle for Homeland Security". p.267 in Russell D. Howard, James J.F. Forest, Joanne C. Moore (eds.). *Homeland Security and Terrorism: Readings and Interpretations*. New York: McGraw-Hill.
[148] Best, Richard A. Jr. 2004a. *Homeland Security: Intelligence Support*. Washington, D.C.: Congressional Research Service. Available at:

enforcement, homeland security, diplomatic, and military communities that contain information related to the threat of international terrorism."[149]

The Congress explained the seemingly competing and duplicating missions of the IAIP and the TTIC in a following way. While the TTIC had the primary responsibility for terrorism analyses (unless solely domestic), the IAIP had primary responsibility for "matching the assessment of the risk posed by identified threats and terrorist capabilities to our Nation's vulnerabilities."[150] Furthermore, the IAIP, along with the FBI, had significant responsibilities for purely domestic terrorism.

After the enforcement of the 2SR six-point agenda and reorganization of the IAIP to the Office of Intelligence and Analysis (I&A), there has been a partial improvement of some the above-mentioned deficiencies. As Michael Studeman explains, the I&A is now a "full member of the Intelligence Community (IC), with a budget in the millions and more than 500 employees spread over seven divisions."[151] In essence I&A manages the collection, analysis, and fusion of intelligence for DHS. Yet, that is still quite far from the originally proposed task of one agency responsible for all aspects of intelligence gathering, analysis and dissemination.

### *4.4. Conclusion*

In the words of President Bush, the main reason for creation of the Department of Homeland Security was "to increase focus and effectiveness."[152] Yet, as was manifested in this chapter, the new department struggled to address its mission and adopt a unified organizational culture. With regards to the intelligence sharing aspect of homeland security, DHS's role was hampered by the President's proposal of a new intelligence agency, the TTIC, which was charged with essentially the same responsibilities as those circumscribed for DHS's IAIP. Moreover, the relationship between the IAIP and the remaining agencies in the U.S. intelligence community were based on competition, rather than cooperation.

It is therefore possible to say, that in the first years after the creation of DHS, the

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<http://www.law.umaryland.edu/marshall/crsreports/crsdocuments/RS2128302232004.pdf> [accessed 3.5. 2011].

[149] Brennan, John O. 2004. *Written Statement for the Record of the Director of the Terrorist Threat Integration Center on Law Enforcement and the Intelligence Community before the National Commission of Terrorist Attack Upon the United States.* April 14, 2004. Available at: <http://www.fas.org/irp/congress/2004_hr/041404brennan.html> [accessed 3.5. 2011].

[150] Cooper Blum, Stephanie. 2010, p. 82.

[151] Studeman, Michael W. 2007, p. 195.

[152] Bush, George, W. 2002a.

homeland security and counterterrorist agenda was less unified than before 9/11. In the next chapter, some of the main processes of U.S. intelligence community reform will be introduced in order to examine the impact of the reform on improvement of information and intelligence sharing after 9/11.

## 5. Reforming the Intelligence Community

After the first shock from 9/11 passed over, a wide-ranging debate was prompted over the role of intelligence in failing to recognize the threat and prevent the terrorist attacks. Two commissions were established to investigate the failure. First was the Joint Inquiry conducted by the U.S. House Permanent Select Intelligence and the Senate Select Intelligence Committees and second was the National Commission on Terrorist Attacks upon the United States (The 9/11 Commission). The conclusions and recommendations of these committees pointed out some of the essential weaknesses within the intelligence community and became an important starting point for subsequent intelligence community reform embedded in the adoption of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA).

This chapter will first focus on the main findings of the Joint Inquiry and the 9/11 Commission. Thereafter, there will be an examination of the process of adopting the IRTPA. The legislative debate that accompanied its enactment and its major provisions will be introduced. Then, the actual impact of the IRTPA on the intelligence community will be evaluated, both in terms of the newly created institutions – the DNI and the NCTC, as well as from the point of view of the old institutions – the FBI and the CIA.

The analysis and evaluation of the 9/11 Commission recommendations can serve as an input factor to the evaluation of the final outcome of the U.S. government homeland security reorganization, while the interpretation of the implementation and the consequent character of the intelligence community after the enactment of the IRTPA can be interpreted as the output perspective of the input-output methodological model (see Figure 1.1) examining the efficiency of the U.S. government reorganization post-9/11.

### *5.1. Joint Inquiry and 9/11 Commission Findings and Recommendations*

Shortly after 9/11, questions concerning the failure of intelligence to avert the terrorist attacks were raised. There was pressure to find out what had led to the attacks and who was responsible. First, the U.S. House Permanent Select Intelligence and the Senate Select Intelligence Committees established a Joint Inquiry with three principal goals: (1) to conduct a factual review of what the U.S. intelligence community knew or should have known prior to 9/11, regarding the international terrorist threat to the United States, to include the scope and nature of any possible international terrorist

attacks against the United States and its interests; (2) to identify and examine any systemic problems that may have impeded the Intelligence Community in learning of or preventing these attacks in advance; and (3) to make recommendations to improve the Intelligence Community's ability to identify and prevent future international terrorist attacks.[153]

Among the main findings of the Joint Inquiry was that "prior to 9/11, the intelligence community was neither well-organized, nor well-equipped, and did not adequately adapt to meet the challenge posed by global terrorists focused on targets within the domestic United States. Serious gaps existed between the collection coverage provided by U.S. foreign and domestic intelligence capabilities."[154] Put simply, as the Joint Inquiry recognized, the intelligence community was not properly organized for a transnational threat such as al Qaeda.

Other findings included: (1) the lack of a comprehensive counterterrorist strategy both on governmental as well as intelligence level; (2) inefficiencies in the allocation of resources and problematic intelligence community budgeting practices and procedures; (3) inefficient use of new technology and reliance on outdated technologies, thus having a negative impact on collaboration between the intelligence community agencies as well as their adaption to the nature of the terrorist threats; (4) lack of incentives for analytical positions, which were seen as dead-end jobs in the community and which led to analytic deficiencies, thus seriously undercutting the ability of U.S. policymakers to understand the full nature of the threat; (5) lack of information sharing not only between intelligence community agencies, but also within individual agencies, and between the intelligence and the law enforcement agencies, and also between intelligence community and relevant non-intelligence community agencies, such as law enforcement and border protection; (6) lack of reliable and knowledgeable human sources; (7) lengthy and perilous application process for Foreign Intelligence Surveillance Act (FISA) surveillance leading to a diminished level of FBI coverage of suspected al Qaeda operatives in the United States; (8) lack of strategy to track terrorist funding and close down their financial support networks.[155]

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[153] U.S. Senate Select Committee on Intelligence and U.S. House Permanent Select Committee on Intelligence. 2002. Joint Inquiry into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001. *Report of the U.S. Senate Select Committee on Intelligence and U.S. House Permanent Select Committee on Intelligence (Joint Inquiry Final Report)*, p. 1. Available at: <http://www.gpoaccess.gov/serialset/creports/911.html> [accessed 5.5. 2011].
[154] Ibid, p. 33.
[155] Ibid, p. 34-126.

In its final report, the Joint Inquiry proposed nineteen recommendations, which included establishing a powerful new director of national intelligence, revamping the intelligence priority process, and considering whether new domestic intelligence agency should replace the FBI. However, as M. Kent Bolton contends, the Joint Inquiry's thorough work – it studied some one million documents and interviewed some 500 persons – "raised more questions than it answered; it thereby provided an impetus for subsequent postmortems."[156] This succeeding task was undergone by the 9/11 Commission, the mother of all postmortems.

The 9/11 Commission built on the findings of the Joint Inquiry and added some more insights stemming from 1200 interviews and 2.5 million pages of various documents. The 9/11 Commission took the reshaping of the U.S. intelligence into a new level. Gregory Treverton points out that "its report was dramatic and made several recommendations – primarily to reshape the organization of U.S. intelligence but also to begin to change the way it does business."[157]

Regarding intelligence and information sharing, the 9/11 Commission identified six problems, which created the need to restructure intelligence: (1) structural barriers to performing joint intelligence work – the problem of organizing national intelligence around collection disciplines of the home agencies, not the joint mission; (2) lack of common standards and practices across the foreign-domestic divide that created the inability to pool information gathered abroad with information gathered in the United States; (3) divided management of national intelligence capabilities, which limited influence of the DCI over the three intelligence agencies housed within the Department of Defense (the NSA, the NGA, and the NRO); (4) weak capacity of the DCI to set priorities and move resources; (5) too many tasks carried out by the DCI – the fact that DCI had three jobs as head of the community, principal adviser to the president on intelligence matters, and head of the CIA combined with his weak authorities even limited his managerial abilities; (6) too complex and secret nature of intelligence community, which made public comprehension of the intelligence agencies and the rules surrounding them impossible.[158]

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[156] Bolton, M. Kent. 2008. *U.S. National Security and Foreign Policymaking after 9/11: Present at the Re-creation.* Plymouth: Rowman &Littlefield Publishers, Inc, p. 276.
[157] Treverton, Gregory F. 2009, p. 81.
[158] National Commission on Terrorist Attacks upon the United States. 2004. *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks upon the United States*. Washington, D.C.: National Commission on Terrorist Attacks upon the United States, p. 408-410.

Subsequently, the 9/11 Commission recognized the fact that even though the DCI was responsible for community performance, it lacked three authorities critical for any agency head or chief executive officer: control over purse strings, the ability to hire or fire senior managers, and the ability to set standards for the information infrastructure and personnel.[159] In order to address these problems the 9/11 Commission made six broad proposals, which underscored the need not only to create the technical infrastructure to better share intelligence but also to rethink the perspective of "need-to-know" and other security requirements that frustrated sharing. The 9/11 principal recommendations were to[160]:

- Create the position of a Director of National Intelligence (DNI), located in the White House and possessing real authority over the budgets of the fifteen U.S. intelligence agencies
- Institute a National Counterterrorism Center (NCTC) reporting to the DNI, responsible for both joint operational planning and joint intelligence
- Establish national intelligence centers, organized around discrete issues on the model of the NCTC, under the authority of the DNI
- Make the CIA director a position separate from the DNI and charge him primarily with building better espionage capacity for the nation
- Rethink the web of "need-to know" and other security procedures that frustrate not just sharing but also intelligence work as whole
- Not to create a separate domestic-intelligence service, instead to encourage the FBI to move forward with changing its mission from pure law enforcement to terrorism prevention

The Joint Inquiry and 9/11 Commission findings and recommendations greatly remind the proposals of the pre-9/11 commissions and task forces. Therefore, it is possible to see some consistency in the pre- and post-9/11 attempts to reform the U.S. intelligence community. As chapter 2 showed, the pre-9/11 attempts were generally ignored by the decision-makers and resisted by the intelligence agencies themselves. The general idea behind the 9/11 Commission reform proposal was that after 9/11 the incentives for adoption of the reform have changed and it was therefore possible to

[159] Ibid, p. 410.
[160] Adapted from Treverton, Gregory F. 2009, p. 82.

usher in a sweeping reform of the U.S. intelligence community. The next sub-chapter will address this assumption.

## *5.2. Intelligence Reform and Terrorism Prevention Act*

The 9/11 Commission final report was issued in July 2004 and was followed by an immediate congressional response. Throughout the course of its work, the 9/11 Commission received extensive media coverage, which gave rise to public pressure on the Congress to act on the recommendations. Also, a significant lobby was set up around the 9/11 victim families pushing for the implementations of the 9/11 Commission's recommendations. These forces speeded up the legislative process and both the Senate and the House began to draft implementing legislation.

### *5.2.1. Intelligence Reform Legislative Process Background*

Both versions of bill focused mainly on the two central recommendations of the 9/11 Commission: the establishment of the Director of National Intelligence (DNI) and creation of the National Counterterrorism Center (NCTC). The original DNI proposal suggested authorities for the individual to oversee all-source national intelligence centers, serve as the president's principal intelligence advisor, manage the national intelligence program, and oversee the component agencies of the intelligence community. Included in his powers were supposed to be the responsibility for submitting a unified intelligence budget, appropriating fund to the intelligence agencies, and setting personnel policies for the intelligence community.[161]

The NCTC recommendation was designed to address the intelligence community's structural problems, particularly the lack of an appropriate entity for performing executive branch–wide counterterrorism operational planning. It was supposed to be a center for joint operational planning and joint intelligence staffed by personnel from the various agencies. Its focus was envisaged to be on counterterrorism and it was supposed to have responsibility for integrating the intelligence agencies' capabilities against terrorism. Its aim was to be the preeminent body for analyzing terrorism and assessing the terrorist threat.[162]

The Senate bill followed the 9/11 Commission's recommendations more closely, while the House bill provided for a far less powerful director. The House bill covered a

[161] *The 9/11 Commission Report,* p. 411.
[162] Ibid., p. 403

wide range of counterterrorism issues, including immigration and criminal penalties. Glenn Hastedt summed up the differences between the bills: "Under the Senate bill, the CIA director 'shall' be under the authority, direction, and control' of the national intelligence director. In the House version, the CIA director would only 'report' to the National Intelligence Director. The House bill also only gave the National Intelligence Director the power to develop budgets and give 'guidance' to intelligence community members. The Senate bill stated that he or she would 'determine' the budget. The Senate bill would also make the intelligence budget public, require that most of the Director's high-ranking assistants be confirmed by the Senate, and create a civil liberties panel to prevent privacy abuses."[163]

The main opposition against the bill came from the House Republicans led by the chair of House Armed Services Committee, Duncan Hunter. Essentially, Hunter was a protégé of the Secretary of Defense, Donald Rumsfeld, in Congress. Similar to previous attempts to reform the intelligence community, Department of Defense officials, now led by Rumsfeld, strongly opposed any proposals changing the structure and streamlining the intelligence community. These changes were traditionally perceived by Pentagon as a threat to its control over defense intelligence agencies and over the vast share of the intelligence budget. Thus, the Defense Department leadership tried to discredit the reform by all means, both privately during classified hearings, and publicly when General Richard Meyers, chairman of the Joint Chiefs of Staff, delivered a bombshell letter to the House Armed Services Committee. "In the letter, Meyers opposed giving the proposed director of national intelligence strong budgetary authorities over intelligence agencies housed in the Pentagon arguing that only a Pentagon-controlled budget would ensure sufficient 'support to the warfighters'."[164]

Moreover, the presidential support to the Senate version of the bill remained lukewarm.[165] At a time of ongoing War on Terror operations in Afghanistan and Iraq, the President did nothing to stop the Defense Department lobby. He simply avoided fighting his own Department of Defense over intelligence reform at war time. According to Michael Turner, "President Bush had to look like he was pushing the bill

[163] Hastedt, Glenn. 2007. "Washington Politics, Intelligence, and the Struggle against Global Terrorism". p.108 in Loch K. Johnson (ed.). *Strategic Intelligence Vol. 4: Counterintelligence and Counterterrorism: Defending the Nation against Hostile Forces*. Westport: Praeger Security International.
[164] Zegart, Amy. 2007, p.180.
[165] In reaction to the 9/11 Commission report, President Bush issued three Executive Orders, which were supposed to increase the authority of the DCI over intelligence budgeting process, establish NCTC, and improve information sharing. However, in reality these Eos mostly confirmed the status quo.

but would in fact prefer to see the proposal die".[166] And that is why he, at the end, recommended the passage of a bill that conformed to the House version, establishing a weak DNI and keeping the Defense Department in charge of its intelligence agencies. The final bill was adopted 89-2 in the Senate and 336-75 in the House.[167] The president then signed the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 on December 17, 2004.

### *5.2.2. Major Provisions of the IRTPA*

The IRTPA was divided into eight titles:[168] (I) Reform of the Intelligence Community; (II) Federal Bureau of Investigation; (III) Security Clearances; (IV) Transportation Security (V) Border Protection, Immigration, and Visa Matters; (VI) Terrorism Prevention; (VII) Implementation of the 9/11 Commission Recommendations; (VIII) Other Matters.

Under Article I, the IRTPA created a Senate confirmed DNI separate from the CIA director, responsible for leading the intelligence community and for serving as principal adviser to the president, the National Security Council and the Homeland Security Council. The DNI was given several important authorities and responsibilities.[169] They included determining the intelligence budget[170], managing the execution of the intelligence appropriation, transferring funds and personnel, and hiring senior officials.

The National Counterterrorism Center (NCTC) has been made responsible for integrating the intelligence agencies' capabilities, designing preeminent counterterrorism analysis and proposing collection requirements to the DNI to guide the agencies' collection activities. The NCTC's other function established under the IRTPA

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[166] Turner, Michael A. 2005, p. 388.
[167] House of Representatives roll call data on the IRTPA available at: <http://clerk.house.gov/evs/2004/roll544.xml> , for the Senate roll call data see: <http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=108&session=2&vote=00216> [accessed 7.5. 2011].
[168] *Intelligence and Terrorism Prevention Act*. Public Law 108-458, December 17, 2004. Available at: <http://www.nctc.gov/docs/pl108_458.pdf> [accessed 7.5. 2011].
[169] Ibid. Sec 102a. "Responsibilities and Authorities of the Director of National Intelligence".
[170] The overall intelligence budget consists of three separate components: (1) the National Intelligence Program (NIP), which includes the budgets of the CIA and the other smaller civilian members of the intelligence community residing in other government departments (i.e., State, FBI, Energy, Treasury, Homeland Security), as well as large members of the IC that reside in DOD (i.e., the DIA, NSA, NGA, NRO); (2) the Joint Military Intelligence Program (JMIP), which funds various other Defense Department intelligence activities; and (3) Tactical Intelligence and Related Activities (TIARA), which funds the intelligence activities of the military services. Thus, over 80 percent of the intelligence budget goes to agencies and functions under the DOD.

was to engage in planning for counterterrorism operations across the executive branch. However, the actual description of the planning work has remained fairly vague in the IRTPA, because "it existed in a gray area between high-level strategy and detailed, tactical planning".[171]

Other provisions of the IRTPA focused on the problem of improving the domestic intelligence capabilities of the FBI (Title II). The IRTPA directed specific instructions for the FBI to change fundamentally the FBI's orientation and culture. The Director of the FBI was ordered "to develop and maintain a specialized and integrated national intelligence workforce consisting of agents, analysts, linguists, and surveillance specialists who are recruited, trained, and rewarded in a manner which ensures the existence within the Federal Bureau of Investigation an institutional culture with substantial expertise in, and commitment to, the intelligence mission of the Bureau."[172]

Moreover, the IRTPA paid vast attention to provisions concerning homeland security and improving the counterterrorism prevention as well as response. The provisions under Title VI (Terrorism Prevention) were aimed at enhancing the ability of the DHS to stop terrorists before they reach the U. S. borders, and to stop money-laundering practices that support terrorism. Other sections and titles were also devoted to transportation security and border protection, thus stretching the overall reach of the IRTPA.

In summary, the 9/11 Commission was one of the very few commissions to ever see its recommendations successfully codified into law. However, the IRTPA's actual impact was mitigated by the ambiguity of its language. The vagueness of the legislation was a product of the congressional compromise and strong Defense Department lobby protecting its "turf". Even thought the adoption of the IRTPA improved the situation of central management of the U.S. intelligence community, it did not vest enough authorities to the DNI to be able to overcome the obstructions to the intelligence community reform from both the agencies themselves, as well as from the DOD leadership. The actual development of the establishment and functions of the new agencies with the intelligence community, the DNI and the NCTC, as well as the impact of the IRTPA on the old agencies, the FBI and the CIA, will be examined and evaluated in the following subchapters.

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[171] Lederman, Gordon N. 2005. "Restructuring the Intelligence Community". Pp. 89 in Peter Berkowitz (ed.). *The Future of American Intelligence*. Washington, D.C.: The Hoover Institution

[172] *Intelligence and Terrorism Prevention Act*. Sec. 2001. "Improvement of Intelligence Capabilities of the Federal Bureau of Investigation".

### *5.3. Intelligence Community after the Reform Act*

This subchapter will focus on evaluation of the newly established institutions in the IRTPA, the DNI and the NCTC. The key question is whether their creation essentially led to better efficiency and effectiveness of the U.S. intelligence community's counterterrorism mission.

#### *5.3.1. Director of National Intelligence*

According to Gordon Lederman, "the Executive Branch's implementation of the 2004 act began without the necessary vigor."[173] The first DNI, Ambassador John Negroponte, was an accomplished diplomat and policymaker, but he lacked working knowledge of the U.S. intelligence community and substantial experience in leading and transforming large organizations.

One of the major problems of implementing the IRTPA is that the legislation was giving the DNI considerable responsibility but not enough power and authority especially when faced with Defense Department resistance. Secretary of Defense Rumsfeld successfully pushed for establishment of the Undersecretary of Defense for Intelligence, "which was widely viewed as an attempt to block the DNI's effort to gain effective authority over DOD intelligence functions."[174] All Defense Department intelligence agencies were made subordinate to this new Director of Military intelligence-like position. Thus, the DNI's actual power over the DOD agencies has remained quite limited.

In 2006, Ambassador Negroponte resigned from the position of the DNI and was replaced by seemingly much better fit for the position, retired Admiral Mike McConnell. Former NSA director with decades of experience in U.S. intelligence was confirmed in January 2007. DNI McConnell began his tenure by issuing a 100-day plan, followed by a 500-day plan for the intelligence community. Both of the plans focused on better management and provided "an intellectual structure for considering intelligence reform more methodically."[175] Even though the change on the working level remained limited,[176] the rhetoric and McConnell's approach to the DNI's position

[173] Lederman, Gordon N. 2009. "Making Intelligence Reform Work". *The American Interest* 2009 (Spring/Summer): 25.
[174] Ibid., p. 26.
[175] Lederman, Gordon. 2009, p. 26.
[176] Hulnick, Arthur S. 2008. "Intelligence Reform 2008: Where to from Here?" *International Journal of Intelligence and Counterintelligence* 21 (4): 626.

certainly led to a better sense of corporateness and leadership within the intelligence community.

In addition, Secretary of Defense Donald Rumsfeld was succeeded by Robert Gates, a former DCI in December 2006, which subsequently led to easing of tension and improved relationship between the DNI and the Defense Department during the final months of the Bush administration. Unfortunately, some other serious problems remained, especially on the level of coordination and oversight of the old agencies and within the newly created NCTC such as deficiencies regarding security clearances and personnel management.

### *5.3.2. National Counterterrorism Center*

The National Counterterrorism Center (NCTC) was created to give boost to information sharing and analysis. It has taken over and expanded the TTIC's mission and became a hub for analyzing terrorism-related intelligence across the community. The NCTC was presented as the most successful improvement of the intelligence community – the grand jewel of intelligence reform. Different agency officials were supposed to sit in one room and draft collective analysis on terrorist threats. The IRTPA "in order to promote and facilitate rotations to the new center, required rotational assignments for promotion within the intelligence community, and created specific incentives for service in national intelligence centers."[177]

However, even if the rules allow it, organizational barriers still block information sharing. According to Amy Zegart, "because NCTC's analysts have varying levels of security clearances and come from different agencies, they still see different pieces of information."[178] Arthur Hulnick also points out that "CIA security officials did not accept the clearances of officers from other agencies without doing their own security checks, and that even a CIA officer had to get a new clearance because he would be using a different computer system than the one for which he already had access."[179] This kind of bureaucratic pathology is very baffling given the amount of criticism and pressure for improvement was imposed on information sharing after 9/11. In December 2005, the 9/11 Commission's Public Discourse Project issued a report card assessing implementation of its recommendations. Information sharing efforts received

[177] Vickers, Robert. 2006. "The Intelligence Reform Quandary". *International Journal of Intelligence and Counterintelligence* 19 (2): 360.
[178] Zegart, Amy. 2007, p. 186.

a grade D.[180] Two years later, one intelligence officer offered a similarly discouraging progress report and underscored that "most of the sharing issues we face are cultural and process rather than technology."[181] However, the technological problems should not be overlooked as the agencies' intelligence databases use different software mostly incompatible with each other.

Moreover, according to Zegart, "most U.S. intelligence agencies have no experience conducting all-source analysis, so the personnel they assign to the NCTC is learning on the job."[182] However, with inexperienced analyst and obstructions to their actual work, the quality of analysis is hampered. Also, within the respected agencies, rotational assignments are not promoted as they should be. They are still seen more as a necessary evil than as a prestigious mission to which the brightest analysts should be nominated. And once part of the NCTC the analysts continue their loyalty to their parent agencies rather than to the NCTC mission itself.[183]

The idea of rotational assignments was one of the key initiatives in transforming the intelligence community into – in President Bush's words – a single, unified enterprise.[184] In order to accomplish this task creation of a notion of jointness was required.[185] However, the process of joint duty has been largely circumvented by intelligence professionals. But as Patrick Neary concludes, "joint duty is a means to an end: a change in the community's culture that emphasizes enterprise mission accomplishment over agency performance. It is unclear how that change will occur without a significant change in the assignment patterns of our professional workforce."[186]

To sum up, evaluating performance of the newly created agencies clearly shows that deficiencies pertain. The key problem is the inability of the DNI to overcome the

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[179] Hulnick, Arthur S. 2007. "Intelligence Reform 2007: Fix or Fizzle?" *International Journal of Intelligence and Counterintelligence* 20 (4): 575-576.
[180] One page summary of the grades available at: <http://www.9-11pdp.org/press/2005-12-05_summary.pdf> [accessed 9.5. 2011].
[181] Testimony of Major General Dale Meyerrose as quoted in: Zegart, Amy. 2007, p. 187.
[182] Ibid., p. 186.
[183] Best, Richard A. 2010. *The National Counterterrorism Center (NCTC) – Responsibilities and Potential Congressional Concerns*. Washington, D.C.: Congressional Research Service, p. 7. Available at: <http://www.fas.org/sgp/crs/intel/R41022.pdf> [accessed 9.5. 2011].
[184] Jehl, Douglas. 2005. "Bush Picks Longtime Diplomat for New Top Intelligence Job". *New York Times* February 18, 2005. Available at: <http://www.nytimes.com/2005/02/18/politics/18director.html?pagewanted=print&position=> [accessed 10.5. 2011].
[185] The IRTPA proposed a model embedded in the 1986 Goldwater-Nichols Act, which reorganized the DOD using, among others, a rotational system.
[186] Neary, Patrick C. 2010. "The State of Intelligence Reform, 2009". *Studies in Intelligence* 54 (1): 8.

cultural patterns embedded in the U.S. intelligence community's institutional environment. These obstacles than make it difficult for the DNI, already weakened by some of the provisions of the IRTPA not granting him enough authority, to fully coordinate the intelligence community into a unified enterprise efficient and effective in countering the terrorist threats. While for the new institutions the problem lays in the inability to coordinate, for the old institutions, such as the FBI and the CIA, as will be shown in the last part of this chapter, the problem is in adaptation. Nevertheless, the main obstacles to the reform for both are deeply rooted in the organizational structure, culture and practices.

### *5.4. FBI's and CIA's Internal Attempts to Implement Reform*

Due to the severe criticism for being insufficiently proactive before 9/11, the FBI has set forth ambitious changes in order to redefine itself from an agency that investigates crimes after they occur to one that is proactive in gathering intelligence before attacks occur. Since 2001, it has adopted a preemptive strategy, increased its counterterrorism resources, and established an Office of Intelligence. It is important to note that these actions were motivated in part by FBI's desire to remain the lead counterterrorism agency for homeland threats as voices calling for creation of completely new domestic intelligence agency and or creating a domestic intelligence element within the DHS sprung during the post-9/11 discussions.

According to Seth Jones, "FBI Director Robert Mueller tried to change the FBI's traditional system of decentralized management, in which significant power was in the hands of the 56 field offices, by increasing the number and importance of analysts and policymakers at headquarters. He implemented a major reorganization and increased resources for the Counterterrorism Division. More than 500 field agents were permanently shifted from criminal investigations to counterterrorism."[187]

Moreover, an Operations Center was established to serve as a clearinghouse for information sharing and collaboration. Also 66 new Joint Terrorism Task Forces across the country were created, which included state and local law enforcement officers, and FBI agents. The FBI also bolstered its analytical capabilities by creating an Executive Assistant Director for Intelligence and an Office of Intelligence. The office was responsible for identifying emerging threats and crime problems that impact FBI investigations and overall strategies. It was the FBI's primary interface for coordinating

intelligence on terrorist threats to the United States and sharing information with the U.S. intelligence community, the legislative branch, foreign government agencies, state and local law enforcement, and the private sector. Each FBI field office was also put under a Field Intelligence Group to centrally manage, execute, and coordinate the FBI's intelligence functions in that field office.[188]

Despite these major changes, the law enforcement organizational culture largely prevails. Most problematic is the position of analysts within the FBI structure. According to Arthur Hulnick, "analysts were recruited or borrowed, primarily from other intelligence analytic units, but soon found that they were second-class citizens in a system that valued the Special Agents more than the analysts."[189] The FBI's own guidelines divide its employees to only two groups Special Agents and "other support professionals", thus putting analysts into a same group with cleaning people or truck drivers.[190] Amy Zegart also refers to this problem contending that "the bureau rules still mandate that senior positions in the field, including the top spot in every U.S. field office, be staffed by FBI special agents."[191] These provisions essentially preclude any career moves for the FBI analysts.

Efforts to improve the FBI's obsolete technology systems have also been unsuccessful and very costly. After two attempts to acquire a technology modernization program, the FBI still does not have a modern and effective case management record system.[192]

Even though that the FBI has attempted the most ambitious changes, the results are disappointing and greatly inefficient given the amount of attention and resources allocated to consolidate its domestic intelligence and counterterrorism mission. It seems that most of the proposed changes have been unable to break the law enforcement way of thinking within the agency, despite the fact that its official mission has been restated to protect and defend the United States against terrorism and foreign intelligence threats first, and to uphold and enforce the criminal laws second.

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[187] Jones, Seth G. 2006, p. 268.
[188] Cumming, Alfred, Masse, Todd. 2004. "FBI Intelligence Reform Since September 11, 2001: Issues and Options for Congress". Washington, D.C.: Congressional Research Service. Pp. 9-16. Available at: <http://www.fas.org/irp/crs/RL32336.pdf> [accessed 10.5. 2011].
[189] Hulnick, Arthur S. 2007, p. 578.
[190] Information available at the FBI official website: <http://www.fbi.gov/quickfacts.htm> [accessed 10.5. 2011].
[191] Zegart, Amy. 2007, p. 191-192.
[192] The first program was scrapped because it did not work, the second system, Sentinel, is underway but its delivery date was postponed a number of times and is now set to September 2010 costing $451

The CIA has not adapted well to the post-9/11 changes either. For most of the time, it has been an agency in turmoil. Due to numerous scandals both of its foreign operations (the black sites scandal[193]) as well as its leadership (Porter J. Goss scandal[194]), the morale has been on a low. The IRTPA ordered the Director of Central Intelligence Agency to rebuild CIA's analytical capabilities, transform the clandestine services by building its human intelligence capabilities, develop a stronger language program, with high standards and sufficient financial incentives, emphasize recruiting diversity among operation officers so they can blend more easily in foreign cities, and to ensure a seamless relationship between human source collection and signals collection at the operational level. It has also "instructed the CIA and the Department of Defense to work better together in coordinating their respective intelligence domains."[195]

The CIA has attempted to increase its domestic intelligence powers first through its Counterterrorist Center and then through the TTIC, which was placed under the CIA's budget and headquarters. Even when the independent NCTC was created, the CIA provided its analysts but focused more on protecting its own turf by not sharing all of its information, which was explained by differences in clearances.

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million. For more information see FBI official press release available at: <http://www.fbi.gov/pressrel/pressrel09/oigsentinel111009.htm> [accessed 10.5. 2011].

[193] In 2005, media revealed the existence of a top secret system of foreign CIA prisons, which were used to hold and interrogate some of the most important Al Qaeda detainees.

[194] The overall poor leadership of CIA director Porter J. Goss due to which many of senior agency officials left the agency, was brought to an end amidst corruption scandal of one of Goss's closest aides forcing Goss to resign.

[195] Bolton, M. Kent. 2008. Pp. 311.

### *5.5. Conclusion*

The evolution of the U.S. intelligence reform after 9/11 clearly shows that even though attempts to substantially reform the U.S. intelligence community into a single united enterprise with the aim and strategy of fighting transnational terrorist threats were made, real change has not to date reached the standard that was originally envisaged. Such an outcome is surprising given the strong public reaction to the events of 9/11 and the enthusiasm the legislative and executive branches of government exhibited for improving intelligence gathering and coordination. The evidence presented in this chapter points to a number of reasons for the failure of reform of the intelligence community to match expectations.

The legislative negotiations surrounding the IRTPA bill were strongly influenced by a robust Defense Department lobby and combined with only lukewarm attention from President Bush resulted in adoption of a very vague and ambiguous piece of legislation. On paper, the newly created DNI has many responsibilities as well as authorities. However, the actual powers are much less significant and have not enabled the DNI to overpower the Department of Defense or overcome resistance to reform within the old intelligence agencies. Thus, the DNI's ability to coordinate the U.S. intelligence community has been impaired. Moreover, the burgeoning size of the Office of the DNI has raised questions about unnecessary levels of bureaucratic layering, which is not helping attempts to building a more efficient intelligence community.

Another important factor in explaining the limited success of the reform agenda is the organizational culture of the old intelligence agencies, the FBI and the CIA. Their debilitating sense of agency parochialism, a belief in the overriding importance of security, and the "need-to-know" principle of secrecy makes them extremely resistant to change even amid a crisis on the scale of 9/11.

Moreover, from the homeland security point of view, it is possible to conclude that IRTPA did not substantially strengthen DHS's own analysis division, it has only fully incorporated it in the U.S. intelligence community. Yet, the Office of Information and Analysis has to wait to receive intelligence information from the DNI and his office. As Howard Ball concludes, the result is that "the DHS, charged with protecting the homeland from terrorist strikes still has to rely on the generosity of intelligence

gathering agencies, totally outside the control of the Secretary of Homeland Security."[196]

In the final chapter the major shortcomings of the homeland security and information sharing agenda will be analyzed.

[196] Ball, Howard. 2006, p. 58.

## 6. Is a Unified Homeland Security a Realistic Strategy?

The question in the title of this thesis asks whether U.S. homeland security is a reality or myth. The answer to this question is not straightforward. By the end of George W. Bush's second term, homeland security agenda was fully settled in the minds of American citizens. Homeland security and its essentiality for countering terrorist threats were greatly promoted by President Bush and members of his cabinet. Thus, in this sense it is possible to talk about homeland security as a *reality* embedded both in the U.S. government system as well as in the U.S. public's perceptions. Yet, looking at the actual design of homeland security, which was proposed to create a unified system of domestic counterterrorism measures based on information sharing, it is possible to say that the system still has flaws and can be regarded more as a *myth*. Stephen E. Flynn, a renowned national security scholar, points out that "despite the rhetoric of the past years, when it comes to reducing America's exposure to the threat and consequences of terrorism within U.S. borders, there is not much 'there' there, behind the homeland security curtain."[197]

This chapter will provide the final analysis of why, despite the proclaimed efforts of the Bush administration to create a unified and efficient homeland security system able to protect the United States against the dangers of terrorism, there is more of "a flimsy façade of homeland security, behind which lies a deeply flawed strategy, a badly broken Department of Homeland Security, and a nation that remains dangerously unprepared to respond to catastrophic events."[198] The last part of this chapter will then briefly focus on the transition between the Bush and Obama administrations with regards to homeland security. The evaluation and analysis of the efficiency of the U.S. government since 9/11 provided in this chapter also serves as the output perspective of the methodological model (Figure 1.1).

### *6.1. U.S. Homeland Security: Neither Unified Nor Efficient*

One of the main problems of the bureaucratic failure of homeland security is the fact that "the Bush administration was never seriously invested in making DHS an operational success."[199] After 9/11, the Bush administration focused mostly on countering terrorism abroad, first in Afghanistan and later in Iraq. As President Bush

[197] Flynn, Stephen E. 2009. "Homeland Insecurity: Disaster at DHS". *The American Interest* Summer (May/June) 2009: 22.
[198] Ibid., p. 19.
[199] Ibid., p. 20.

often mentioned, "we fight the terrorists overseas, so that we do not have to fight them here at home." [200] The Bush White House did not have many incentives to manage the complex and politically messy interagency issues that were part of the homeland security agenda.

At the operational level, the difficulties of unifying such a vast array of federal agencies provoked constant turf battles among powerful bureaucracies. The new focus on homeland security and the difficulties of merging twenty-two separate agencies inside the new department inevitably created new tensions between the agencies' traditional missions and the new homeland security mission overlaid on top.[201]

Moreover, left largely untouched was the biggest problem that the 9/11 attacks revealed – the great difficulty the U.S. intelligence services, especially the CIA and the FBI, had in sharing and digesting collected intelligence. And yet, the one option not on the table when discussing homeland security was bringing the two agencies into the new department, which was vested the responsibility for connecting all the dots.[202]

The difficulty of defining the department's mission and boundaries and the difficulty of coordinating intelligence (as discussed in chapters 4 and 5) provide the powerful evidence for the two main reasons the homeland security system is flawed – organizational problems and lack of political leadership stemming from rational choices made by decision makers, i.e. the President and the Congress.

One of the incentives the Bush administration had for proposing and promoting the homeland security agenda was the idea of the new Department of Homeland Security as a symbol to reassure the American public it can be safe again. However, an issue of continual trade-offs between protection from risks and limits on freedom arose. More on this issue will be discussed in the next part of this chapter.

### *6.2. The Myth of Absolute Security*

As Johnson and Tierney argue, people wildly overestimate the risk of being threatened by terrorism. Images of terrifying but highly unusual catastrophes on television – such as the World Trade Center collapsing – are far more memorable than images of more mundane and more prevalent threats, like dying in car crashes.[203] As a

[200] For list of President Bush's speeches see:
<http://www.sourcewatch.org/index.php?title=Taking_the_fight_to_the_terrorists> [accessed 11.5. 2011]
[201] Hornbarger, Chris. 2006, p. 280.
[202] Kettl, Donald F. 2007, pp. 58-59.
[203] Johnson, Dominic, D.P., Tierney Dominic. 2006. *Failing to Win: Perceptions of Victory and Defeat in International Politics.* Cambridge, MA: Harvard University Press, p. 17.

result of this psychological bias, large numbers of Americans have overestimated the probability of future terrorist strikes.[204] This public anxiety was the central reason for both the creation of DHS and its subsequent emphasis on prevention measures.

"If the public's response is based on irrational, emotional fears, it may be reasonable for the government to do things that make us feel better, even if those don't make us safer in a rational sense, because if they feel better, people will fly on planes and behave in a way that's good for the economy."[205] But the psychological impact of DHS needs to be compared with the actual spending. Since 9/11 the homeland security spending more than quadrupled (see Appendix 3 for details). The problem, according to Jeffrey Rosen, is that even as DHS seeks to tamp down public fears with expensive and often wasteful preventive measures, it may also be encouraging those fears – which, in turn, creates ever more public demand for spending on prevention.

However, a number of scholars and former intelligence professionals argue that it is impossible to prevent surprise attacks. The very nature of surprise attacks is uncertainty caused by asymmetry of attacker and victim. As Richard Posner, one of the main proponents of this theory points out, "the attacker picks the time, place, and means of attack. Since without a great deal of luck his plan cannot be discovered in advance by the victim, the attacker has, by virtue of his having the initiative and of the victim's being unable to be strong everywhere all the time, a built-in advantage that assures a reasonable probability of a local successes."[206] Therefore, the character of the attacks makes it extremely difficult to prevent them. As Posner continues, "even the best intelligence service is bound to be surprised from time to time because the only way to ensure against ever being surprised is to ignore the cost of false alarm and as a result bombard action-level officials with dire warnings."[207] Furthermore, preventing surprise attacks is virtually impossible either due to lack of information or an excess of data. Richard K. Betts warns that "in attack warning, there is the problem of 'noise' and deception."[208] He points to an overload of high volume of analysis, reports, statistics, which are exceeding the capacity of officials to absorb them or scrutinize them.

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[204] Rosen, Jeffrey. 2008.
[205] Ibid.
[206] Posner Richard A. 2005. *Preventing Surprise Attacks: Intelligence Reform at the Wake of 9/11.* Lanham: Rowman & Littlefield Publishers, Inc. p. 96.
[207] Ibid., p. 136.
[208] Betts, Richard K. 1978. "Analysis, War, and Decision: Why Intelligence Failures Are Inevitable". *World Politics* 31 (1): 75.

It is because of this impossibility of absolute prevention of surprise attacks, Stephen Flynn argues, that "the government should not promise more than it can deliver. U.S. officials need to avoid making the kind of statements issued frequently after September 11 to the effect that terrorists have to be right only once, whereas U.S. officials have to be right 100 percent of the time. Such declarations might demonstrate firm resolve, but they set an impossible standard; no security regime is foolproof."[209] The logic is simple – the more security there is, the more security will be needed. Not because enhancing security makes terrorism more likely, but because enormous investments in security inevitably raise public expectations and amplify public outrage after subsequent failures.

### *6.3. U.S. Homeland Security: A Long Term Strategy or One President's Agenda?*

In the 9/11 Commission Report, it is concluded that after the terrorist attacks of 9/11, "counterterrorism has become, beyond any doubt the top national security priority for the United States."[210] Yet, during the 2008 presidential election campaign the issue of homeland security was not a key discussion point. "The presidential transition than came and went without the Obama administration publicly outlining its plans for homeland security mission."[211] Moreover, in one of her first appearances new Secretary of Homeland Security Janet Napolitano altogether omitted the word "terrorism" from her prepared testimony before Congress on February 25, 2009.[212] Rather, she decided to replace it with the term "man-caused disaster", and later explained that the term "terrorism" is a representative of old-fashioned (i.e. Bush administration connected) "politics of fear."[213]

From the outset, Secretary Napolitano also stressed the civilian management role of DHS (e.g., natural disaster recovery, defending infrastructure) more than her two predecessors who had focused on preventing terrorist attacks. She has perceived DHS's role as more of an all-hazards organization, rather than a primarily counterterrorist

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[209] Flynn, Stephen E. 2011. "Recalibrating Homeland Security." *Foreign Affairs* 90 (3): 132.
[210] *The 9/11 Commission Report,* p. 361.
[211] Flynn, Stephen E. 2009, p. 19.
[212] Napolitano, Janet. 2009a. *Testimony of Secretary Janet Napolitano before the House Committee on Homeland Security on DHS: The Path Forward.* February 25, 2009. Available at: <http://www.dhs.gov/ynews/testimony/testimony_1235577134817.shtm> [accessed 15.5. 2011].
[213] Meyer, Cordula. 2009. "Interview with Homeland Security Secretary Janet Napolitano: 'Away with the Politics of Fear'." *Der Spiegel Online* March 16, 2009. Available at: <http://www.spiegel.de/international/world/0,1518,613330,00.html> [accessed 15.5. 2011].

organization. This is consistent with her broad view of fusion centers. The Fusion Center Initiative was introduced in 2006 to create "vital assets" that provide the federal government with critical information about state and local governments, while the state and local governments obtain information about terrorist-related threats.[214] Secretary Napolitano explained that some fusion centers might focus on a serial killer or gangs and not just terrorists. Furthermore, she expressed her view and that the fusion centers need to include "capacity for response and recovery" and act as "collaborative space" where information can be shared across different disciplines, such as law enforcement, fire, public health, emergency management, and critical infrastructure protection, as well as the private sector.[215]

Moreover, President Obama announced in May 2009 an overhaul of the White House's brain trust for dealing with 21st century threats, merging the domestic security staff with the larger team in charge of all national security issues. The move integrated the work of the White House's Homeland Security Council within the existing National Security Council.[216]

It thus seems that the Obama administration's approach changed from that of the Bush administration. In this respect, one needs to ask, "if DHS continues to become more of an all-hazard organization, how does that broader purpose affects information sharing and the priority of gathering intelligence to prevent terrorist attacks?"[217]

As Gary Schmitt noted in his recent contribution in *Weekly Standard,* "when it comes to homeland security, President Obama's first year in office was a nightmare."[218] In September 2009, Nidal Malik Hasan, a radicalized Army major, murdered 13 defense department employees at Ft. Hood, Texas. Shortly thereafter, Najibullah Zazi was arrested before he and compatriots were able to carry out an al Qaeda-inspired plot to conduct suicide bombings on the New York subway system. Then, on Christmas Day, Umar Farouk Abdulmutallab, at the direction of al Qaeda in

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[214] White House Office. 2007. *National Strategy for Information Sharing: Successes and Challenges in Improving Terrorism-related Information Sharing.* October 2007, p. 20. Available at: <http://www.fas.org/sgp/library/infoshare.pdf> [accessed 16.5. 2011]

[215] Napolitano, Janet. 2009b. *Remarks by Homeland Security Secretary Janet Napolitano to the National Fusion Center Conference in Kansas City, MO*. March 11, 2009. Available at: <www.dhs.gov/ynews/speeches/sp_1236975404263.shtm> [accessed 15.5. 2011].

[216] Meyer, Josh. 2009. "Obama Merges Homeland, National Security Staffs". *Los Angeles Times,* May 27, 2010. Available at: <http://articles.latimes.com/2009/may/27/nation/na-security27> [accessed 15.5. 2011].

[217] Cooper Blum, Stephanie. 2010, p. 90.

[218] Schmitt, Gary. 2011. "Homeland Security and the Obama Administration: Connecting the Dots". *Weekly Standard Online,* February 7, 2011. Available online at:

the Arabian Peninsula, attempted to kill himself and the 278 passengers aboard a transatlantic flight as it approached Detroit. And to top things off, by the year's end, nearly four dozen Muslim-Americans had been indicted or arrested in connection with terrorist plots originating in the United States or aimed at targets in the U.S.

Both the Hasan case, as well as the Christmas Day bomber case were preceded by a number of systemic mistakes caused by the lack of efficient information sharing.[219] In the first case, an investigation showed that there was no excuse for the Army to have not dealt with Major Hasan well before he went on his killing spree. Peers and superiors alike recognized his inability to disassociate his own views from those of Islamists and his obsession with issues such as whether Islam forbade American Muslim soldiers from taking part in the conflicts in Afghanistan and Iraq. Moreover, FBI's handling of the case was also flawed. FBI did not respond to the fact that a Muslim-American U.S. military official was in direct email contact with Yemen-based radical islamist cleric Anwar al-Awlaki. Second, remarkably, neither of the two FBI Joint Terrorism Task Forces (JTTFs) involved in looking at Hasan thought it necessary to alert the appropriate counterintelligence offices in the Department of Defense.[220]

In the second case, again systemic failures across the intelligence community were discovered. From the State Department failing to revoke Abdulmutallab's visa, placing his name on the "no-fly list", to connecting and sharing the information within the NCTC, none of the policies put in place after 9/11 worked; except for the number of alerted passengers, who promptly neutralized the terrorist on board after his unsuccessful attempt to detonate a bomb hidden in his underpants.

Thus, even though the Obama administration attempted to shift the counterterrorism focus of homeland security to a more all-hazards approach, it was quickly reminded of the realities of terrorist threats. In the first months in office, the Obama administration's rhetoric seemed to omit the homeland security agenda as a relic of President Bush's politics of fear but looking at its actual policies it was to continue, where the Bush administration left off.

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<http://www.weeklystandard.com/blogs/homeland-security-and-obama-administration_541536.html?page=2> [accessed 15.5. 2011].

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### *6.4. Conclusion*

Is the unified homeland security a realistic strategy? Looking at the evidence presented in chapters 3 through 5, one is tempted to say it is not. Yet, one also has to keep in mind the realities in which it was created. The homeland security agenda was used by President Bush as a tool of responding to the shock of terrorist attacks of 9/11. However, no matter how strong the motivation, the actual implementation lagged and was weighed down by the many obstructions discussed in this thesis. The proposal of a unified and efficient system did not materialize during the course of two terms of President Bush. But we should keep in mind that, as some scholars remind, it took 40 years for the Department of Defense to gain fully efficient operational capabilities.[221]

The evidence presented in the previous chapters of this thesis demonstrates that both past and current initiatives to create a unified homeland security system and to overcome organizational obstacles within the U.S. intelligence community have had limited success and are ultimately still a work in progress. If such security lapses are to be avoided in the future, the United States government must address the question of which policies will ensure the most efficient means of countering terrorist threats.

[221] Light, Paul C. 2007, p. 38.

## Conclusion

The 9/11 attacks forced government officials to quickly reexamine the national security policy that had been in place since 1947. U.S. foreign and national security policies were based on outdated Cod War realities. Before 9/11, the government was still organized according to "stovepipes." Each sector of government had a discreet and defined function National security was handled by the military, as it was not something for domestic law enforcement to be involved in. The new asymmetrical warfare, typified by the 9/11 attacks, led to the still-continuing effort to change U.S. national security policy. The "stovepipes," the separated agencies – the military, the CIA, the FBI, state and local law enforcement – had to dramatically increase their cooperation with each other. All these agencies were on the national security frontlines. There had to be a new cohesive organization that coordinated and synthesized the information that was, before 9/11, being collected by separate agencies – but not shared with each other.

For this reason, President Bush created first the Office of Homeland Security and later proposed the creation of a new cabinet level agency – the Department of Homeland Security – by combining twenty-two government agencies with 180,000 employees. The department's key role was to serve as the unifying core of the vast network involved in homeland security and its main challenge was to develop complementary systems to avoid duplication. Moreover, the Bush administration stressed that in order to counter the terrorist threat, the collaboration and coordination must be increased in intelligence and information sharing, law enforcement and prevention, emergency response and recovery, policy development and implementation. This effort would allow public and private resources to be aligned to more efficiently secure the homeland.

At the beginning of this thesis, two key questions were raised. The first of these questions asks whether the proposed homeland security agenda led to an efficient and unified system of U.S. domestic counterterrorism measures based on enhanced information sharing? The evidence presented in the chapters 3 to 6 suggests that the actual steps undertaken in order to achieve the unification of policies responsible for the prevention of such events were not sufficiently made, leaving the homeland security system hardly unified and efficient.

The second question asked in the introduction of this thesis delved into why, in spite of the unique opportunity created by the 9/11 attacks, a comprehensive reorganization of the U.S. government to create a coherent homeland security agenda

did not materialize? The hypothesis that the adoption of a coherent homeland security agenda (which would be both unified and efficient) was obstructed by a number of factors proves to be correct. First, the nature of U.S. government agencies involved in homeland security hindered extensive reform. Second, the rational choices of the U.S. leadership (i.e. the executive and legislative branches of government) did not facilitate a process of significant change. Third, the American public's democratic principles were sometimes in conflict with proposals that were seen to undermine civil liberties.

The main argument presented throughout this diploma thesis is that the original aim of reform was to reorganize U.S. government institutions into a single, unified enterprise that would be efficient in countering the terrorist threats. This goal has not been realized. Although, there has not been another successful terrorist attack within the United States like 9/11, the organizational problems within the DHS and its competition with the intelligence agencies and Department of Defense have not been overcome.

In order to analyze and evaluate the post-9/11 U.S. government reorganization and its impact on the efficiency of the proposed homeland security agenda an organizational model has been adopted. In this model, it has been argued that institutional reform is very difficult due to the bounded rationality of government agencies management, informational asymmetry or 'structural secrecy' within the agencies, and the institutional inertia embedded within each agencies' culture.

Moreover, the intelligence institutions operate in a political and societal environment that creates additional constraints on their ability to adapt and reform. These external processes consist of executive and legislative decisions made by American political leaders who often act in a manner that might be reasonably described as being motivated by rational self-interest. Any government reorganization is a very sensitive topic for decision makers as it usually involves many complicated and unpopular decisions, which can hamper their chances for reelection. In addition, American public opinion and its adherence to democratic values based on protection of civil liberties has also been an important contextual variable. In general, homeland security government reorganization is a very difficult and long term process and this situation is not helped by public fears about potential measures that might undermine civil liberties.

Chapter 2 has revealed that throughout the 1990s a number of attempts were made to adapt the U.S. national security policy to the changing nature of threats that arose after the end of the Cold War. The transnational and asymmetric threats

(especially terrorism) superseded the single danger posed by the Soviet Union and its satellites. The spectrum of present and potential targets was broadening. A number of bipartisan commissions and government studies called for a comprehensive counterterrorism strategy and warned (such as the Hart-Rudman Commission) of a possible threat of a terrorist attack on the American homeland. Other commissions called for a substantial reform of the U.S. intelligence community in order to enhance its ability to share information and improve its cooperation. Yet, it seemed that only a catastrophe of a 9/11 scope was able to bring about the right incentives for government reorganization.

In chapters 3 and 4 it was evidenced based on the analysis of processes behind the introduction and promotion of the homeland security agenda that despite the momentum for government reorganization the originally proposed homeland security policy unifying the U.S. efforts to prevent and respond to terrorist attacks within the United States was fulfilled only partially. At the operational level, the difficulties of unifying such a vast array of federal agencies provoked constant turf battles among powerful bureaucracies. The new focus on homeland security and the difficulties of merging twenty-two separate agencies inside the new department inevitably created tensions between the agencies' traditional missions and the overall homeland security mission. Moreover, when Congress created the DHS in 2002, it did not transfer to the new agency existing government intelligence and law enforcement agencies. Rather, Congress sought an analytical office that would use the products from other agencies such as the FBI and CIA to provide necessary warning of terrorist attacks; conduct vulnerability assessments of key resources and infrastructure; and make recommendations for remedial actions at the federal, state, and local levels as well as to the private sector. Thus, DHS had neither the power to collect intelligence nor any tasking authority over other agencies.

Another aspect of enhancing information sharing within the U.S. government was discussed in chapter 4. There, some of the main processes of U.S. intelligence community reform were introduced in order to examine the impact of the reform on improvement of information and intelligence sharing after 9/11. The implementation of the 9/11 Commission recommendations embedded in the Intelligence Reform and Terrorism Prevention Act (IRTPA) enacted in 2004 was evaluated. A number of problems have been identified regarding the IRTPA. First, the impact of this law was diluted during the legislative debate in the U.S. Congress where the Defense

Department (DOD) lobby successfully obstructed many changes that would have endangered its exclusive position within the intelligence community. Second, the IRTPA created new intelligence institutions such as the Director of National Intelligence (DNI) and the National Counterterrorist Center (NCTC). However, the act did not vest enough power allowing them to attain a high level of efficiency. This limitation appears to be especially true in the case of the DNI where its position has been impaired and its coordination and managerial powers have been hampered. Therefore, the DNI is unable to overcome the organizational obstacles to information sharing. Third, the organizational obstacles outlined in this study refer primarily to the old intelligence agencies, such as the FBI and the CIA, and their resistance to adapt to the new security environment by properly implementing the IRTPA provisions. Moreover, from the homeland security point of view, it is possible to conclude that IRTPA did not substantially strengthen DHS's own analysis division, it has only fully incorporated it in the U.S. intelligence community. But the result has been that the DHS, charged with protecting the homeland from terrorist strikes still has to rely on the generosity of intelligence gathering agencies, totally outside of its control.

As was argued in chapter 6, creating a fully unified homeland security is a work in progress. It takes years for government agencies to create their unique organizational culture and accept their mission. In the case of the DHS, this is even a more difficult task as the President's administration is mostly not clear on what exactly the mission should be. With the shift of Obama's administration to the all-hazards approach to homeland security, future research should be focused on how this modification will affect the homeland security's main institutional problem – coordination and information sharing.

## Summary

The argument presented in this thesis may be summarised as follows. The introductory chapter outlines the research question addressed in this thesis and the research model based on effectiveness and efficiency is introduced.

Chapter 1 provides the theoretical and methodological background for this research thesis. This work commences with a definition of homeland security and a brief discussion of its role within national security. Thereafter, different theoretical approaches to the study of homeland security and their relevance to the post-9/11 government reorganization are introduced. The organization theory approach to study intelligence community is recognized as the most appropriate. Lastly, the Eastonian input/output methodology employed in this research thesis is presented.

Chapter 2 focuses on the various aspects of homeland security before 9/11. It examines the evolution of U.S. counterterrorism strategy and the changing perceptions of possible threats to the U.S. homeland during and after the Cold War. It also analyzes the attempts of the U.S. intelligence community to respond to the changed security environment in order to improve coordination and information sharing.

Chapter 3 is devoted to the aftermath of 9/11 and the U.S. government's immediate reaction to the attacks. Shortly after the terrorist attacks President Bush and the U.S. Congress promoted two initiatives focused on improving the U.S.'s domestic counterterrorism strategy. The first was the enactment of the USA Patriot Act, and the second was the proposition of a comprehensive homeland security agenda.

Chapter 4 delves into the legislative, executive and organizational processes connected with the creation of the Department of Homeland Security. It also evaluates the DHS's role in information sharing and intelligence coordination.

Chapter 5 analyzes the various aspects of U.S. intelligence community reform undertaken in order to enhance information sharing. It delves into the implementation of the 9/11 Commission recommendations through the adoption of the Intelligence Reform and Terrorism Prevention Act (IRTPA). Then, the implementation of the IRTPA provisions is evaluated based on an analysis of the newly created institutions and their role in the intelligence community structure, and also of the old institutions and their attempts for internal change.

Chapter 6 provides an answer asked in the title of this thesis whether homeland security is a reality or myth and evaluates the concept of unified homeland security agenda with regards to the transition of the Bush and Obama presidencies.

In the concluding chapter, the two research questions are answered and the main arguments of this diploma thesis are summarized.

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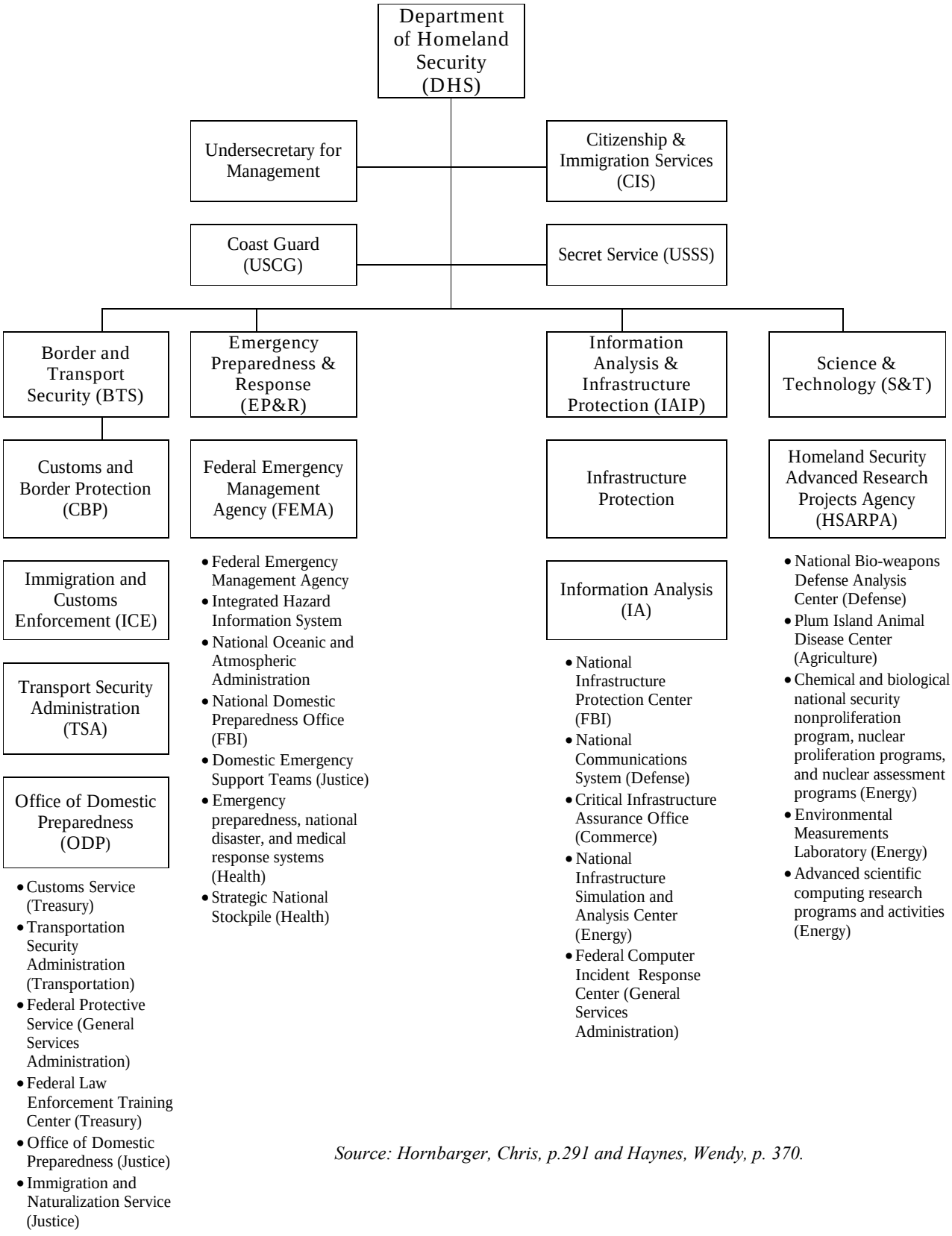
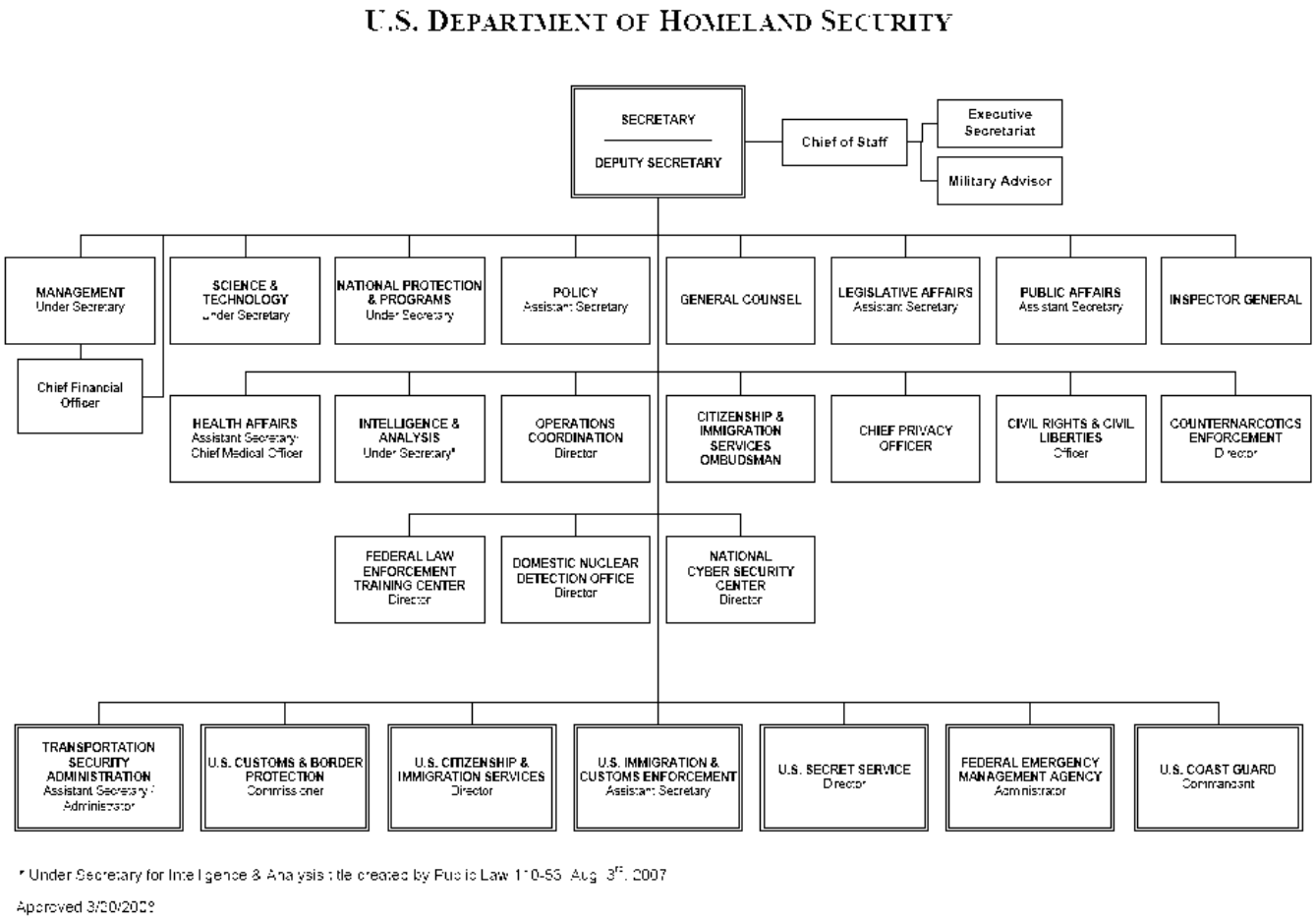
## List of Appendices

## Appendix 1: Original Organizational Structure of the Department of Homeland Security



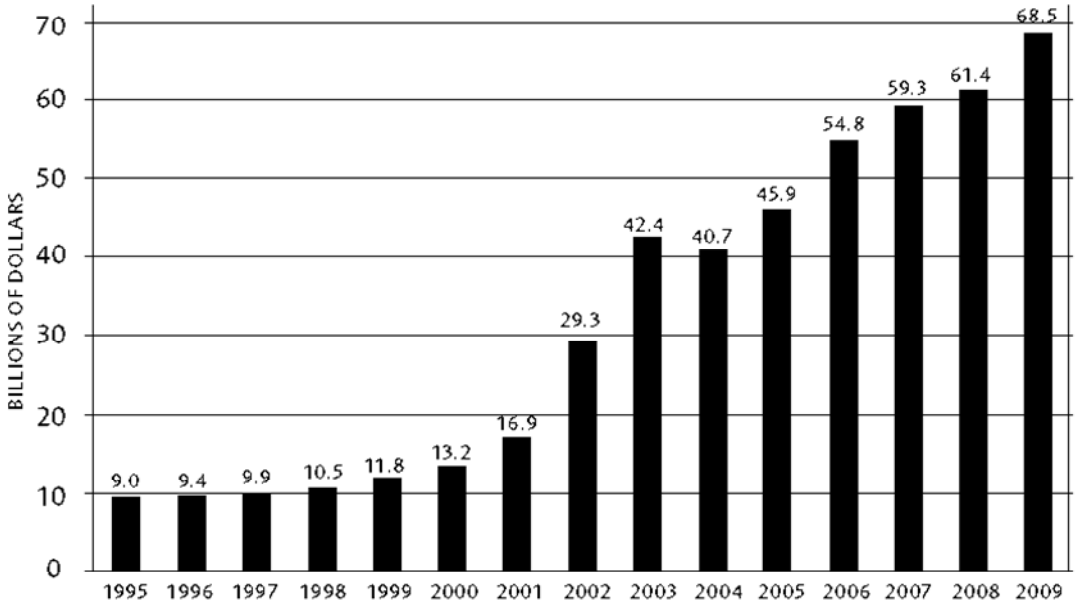

*Source: Hornbarger, Chris, p.291 and Haynes, Wendy, p. 370.*

**Appendix 2:Current Organizational Structure of the Department of Homeland Security**




*Source: Department of Homeland Security, Available at: <http://www.dhs.gov/xabout/structure/editorial_0644.shtm> [accessed. 19.5. 2011].*

**Appendix 3: Trend in Homeland Security Spending between FY1995 and FY2009**




*Source: Budget of the United States, Fiscal Year 2009*

## Appendix 4: List of Abbreviations

| | |
|---|---|
| 2SR | Second Stage Review, Revize druhého stupně |
| CIA | Central Intelligence Agency |
| CTC | Counterterrorism Center |
| DCI | Director of Central Intelligence |
| DEA | Drug Enforcement Administration |
| DNI | Director of National Intelligence |
| DHS | Department of Homeland Security |
| DIA | Defense Intelligence Agency |
| DOD | Department of Defense |
| DOE | Department of Energy |
| DOT | Department of Transportation |
| FBI | Federal Bureau of Investigation |
| FEMA | Federal Emergency Management Agency |
| FISA | Foreign Intelligence Surveillance Act |
| FY | Fiscal Year |
| HSC | Homeland Security Council |
| HUMINT | Human Intelligence |
| IAIP | Information Analysis and Infrastructure Protection |
| I&A | Office of Intelligence and Analysis |
| IC21 | Intelligence Community in the 21st Century Committee |
| IMINT | Imagery Intelligence |
| INS | Immigration and Naturalization Service |
| NCPC | National Counter Proliferation Center |
| NCTC | National Counterterrorism Center |
| NFIP | National Foreign Intelligence Program |
| NGA | National Geospatial Agency |
| NIC | National Intelligence Council |
| NIE | National Intelligence Estimate |
| NIP | National Intelligence Program |
| NRO | National Reconnaissance Office |
| NSA | National Security Agency |
| IRTPA | Intelligence Reform and Terrorism Prevention Act |
| JMIP | Joint Military Intelligence Program |
| JTTF | Joint Terrorism Task Force |
| ODNI | Office of the Director of National Intelligence |
| OHS | Office of Homeland Security |
| PDB | Presidential Daily Brief |
| SIGINT | Signals Intelligence |
| TIARA | Tactical Intelligence and Related Activities |
| TSA | Transport Security Administration |

| | |
|---|---|
| TTIC | Terrorism Threat Information Center |
| WMD | Weapons of Mass Destruction |

# TEZE DIPLOMOVÉ PRÁCE

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Akademický rok:
2008/2009

Název diplomové práce:
Domácí boj s terorismem ve Spojených státech amerických po 11. září 2001: Vnitřní bezpečnost a reforma zpravodajských složek
(U.S. Domestic Counterterrorism post 9/11: Homeland Security and Intelligence Community Reform)

Předpokládaný termín ukončení:
LS 2009/2010

Vedoucí diplomového semináře:
Prof. PhDr. Svatava Raková CSc.

Vedoucí práce:
Doc. Francis D. Raška, Ph.D.

Vymezení tématu:

Diplomová práce se bude zabývat analýzou změn v protiteroristické politice Spojených států po teroristických útocích z 11. září 2001. Cílem těchto změn bylo dosažení sjednocení protiteroristických politik a vytvoření jednotného systému schopného zajistit vnitřní bezpečnost Spojených států před teroristickými hrozbami. Jednalo se za prvé o vytvoření nového Ministerstva pro vnitřní bezpečnost (DHS) a o reformu zpravodajských složek.

Časově tedy bude práce vymezena útoky z 11. září 2001 až po konec druhého presidentského období George W. Bushe.

Zdůvodnění výběru tématu a jeho významu

V Národní strategii pro vnitřní bezpečnost z roku 2002 byla představena koncepce DHS, které mělo sloužit jako sjednocující jádro rozsáhlé národní sítě organizací a institucí zapojených do vnitřní bezpečnosti. Jedním z hlavních úkolů DHS pak mělo být také vyvinutí propojených a doplňujících se systémů, které se navzájem posilují namísto toho, aby se duplikovaly. Zde však vyvstává hlavní problém této strategie. DHS spojilo pod svou působnost 22 vládních agentur a úřadů s cca 170 tisíci zaměstnanci.

Již od počátku začalo docházet k bojům o moc, udržení pravomocí a samozřejmě co nejvyššího rozpočtu mezi těmito jednotlivými institucemi, které

odmítaly spolupráci a podřízení se novému ministerstvu. Také CIA a FBI, které měly poskytnout DHS své zpravodajské informace týkající se teroristických hrozeb vnitřní bezpečnosti k centrálnímu shromáždění, analýze a dalšímu šíření, se postavily proti a raději začaly samy vytvářet své protiteroristické aktivity zabývající se zajišťováním vnitřní bezpečnosti.

Cíle diplomové práce:

Cílem mé práce bude analýza událostí, které vedly k vytvoření DHS a dále provázely tento složitý proces. Analyzována bude také navazující reforma zpravodajských složek. Hlavní pozornost bude věnována problematickým aspektům těchto reforem z hlediska sjednocování protiteroristických politik administrativou presidenta G.W. Bushe.

Výzkumná otázka:

Základní otázkou práce bude proč i přes snahy administrativy presidenta G.W. Bushe nedošlo za celou dobu jeho prezidentského období k vytvoření plánovaného jednotného systému vnitřní bezpečnosti. Jako navazující otázka se pak nabízí, zda je takovýto systém možné v současném americkém politickém systému vytvořit a zda je sjednocení zpravodajských služeb z hlediska protiteroristické strategie USA opravdu žádoucí.

Předběžná hypotéza:

Fakt, že k vytvoření jednotného systému zcela nedošlo, dosud neznamenal fatální ohrožení vnitřní bezpečnosti Spojených států amerických. Je proto možné předpokládat, že centralizování zpravodajských služeb a ostatních agentur vnitřní bezpečnosti není pro zajištění bezpečnosti USA nezbytně nutné.

Předpokládná metoda zpracování tématu:

Hlavní metodou práce bude aplikace neoliberální institucionální teorie motivů a procesů vytváření politických institucí na proces založení DHS a dále na institucionální reformu amerických zpravodajských složek.

Na jedné straně se zaměřím na analýzu oficiálních dokumentů (zákonů, vládních vyhlášek, prohlášení a analýz) a na straně druhé budu čerpat z novinových komentářů a analýz věnujících se dané problematice, a také z odborných prací na dané téma (publikace, články v odborných časopisech, atd.).

Předpokládaná osnova práce

1. Úvod
2. Vnitřní bezpečnost a zpravodajské složky před 11. zářím 2001
3. 11. září 2001 a selhání zpravodajských služeb
4. Reorganizace vnitřní bezpečnosti po 11. září – Ministerstvo pro vnitřní bezpečnost
5. Reforma zpravodajských složek
6. Hlavní problematické aspekty
7. Závěr

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