

STATEMENT OF ACTING ASSISTANT SECRETARY

THOMAS FINGAR

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Mr. Chairman, Members of the Committee, it is a pleasure and an honor to appear before you today in response to your request to hear about my plans for INR and view of its role in the Intelligence Community. Your letter of invitation also asked me to comment on how my plans and views might be linked to prospects for reform. I welcome this opportunity to do so and will use this opening statement to summarize a number of points that I consider important to understand my view of INR's capabilities, mission, and role in the Community. I will be happy to expand upon any or all of these points in response to specific questions.

Mr. Chairman, I feel compelled to begin this statement by acknowledging that I am not a disinterested observer. After nearly 19 years in INR, the last decade as the Deputy Assistant Secretary for Analysis, Principal Deputy Assistant Secretary, or Acting Assistant Secretary, I have both the advantages of intimate knowledge of the Bureau's strengths, weaknesses, and evolution, and the disadvantages that derive from the fact that I am at least partly responsible for what INR is today. As a result, I may sometimes blur the distinction between what INR is and what I would like it to be.

The starting point for both my plans and my objectives as we enter a period of reform is a set of judgments about INR that can be summarized as follows:

- INR has unique responsibilities and capabilities that must be nurtured and protected. To support the Secretary of State's global responsibilities, INR must cover 192 countries all the time. To do so requires, i.a., in-depth knowledge of all countries and cultures, transnational issues, the objectives and concerns of US officials working in and with those countries, and the expertise and experience to make judgments that are more refined and nuanced than simple "worst case" extrapolations.
- INR depends on expertise for its capabilities and its credibility. To be taken seriously in the Department of State, INR analysts must bring something of value to customers who are very knowledgeable about the players and problems they handle. Covertly obtained information contributes to the Bureau's expertise, but other factors are more important.
 - Formal training. Nearly one-third of all INR staff hold PhD degrees and more than 90% have at least a Master's degree.
 - Time on account. INR allows and expects staff to be specialists; the last time we checked, average time handling an account was almost 12 years. That includes the Foreign Service Officers who had just begun rotational assignments and the newly hired Presidential Management Fellows.
 - Foreign languages/time in country. Almost all INR analysts have working capability in at least one foreign language and most have spent at least a few and often many years living abroad, usually in countries they now cover.

- Willingness and ability to tap expertise outside INR. INR is small (just over 300 people in toto, approximately 165 of whom are analysts), but the expertise of our people, our unique personnel mix, and our external research responsibilities enable us to tap expertise wherever it is found.
 - The 75% of our staff who are career intelligence officers, most of whom have been in the IC (INR and other agencies) for years, know who is most knowledgeable on a given subject in other agencies, including persons who no longer work on the account in question but are still in the IC.
 - Our Foreign Service component (25%) and the fact that we are located in the Department of State make it easy to seek information and insight from officers who have served in/worked on the country/issue in question.
 - Our external research staff organized more than 180 conferences and seminars for the Department and the IC last year, with nearly 1,000 outside experts. We maintain lists of experts and take advantage of their willingness to share what they know with the State Department.
- Independence and objectivity. INR is in the State Department and leverages our location and standing as a full and formal part of the Department to gain information on exactly what decision makers need to know (even if they might not be aware of it) and to tap the expertise of Foreign Service Officers outside of INR. But we have a long and proud tradition of independence and operate in both a structure and a culture that recognizes and protects our

ability to be objective. For example, we ask what others think and we solicit and welcome feedback on our analysis, but INR does not clear its assessments with anyone, inside or outside the Department, and policymakers have no input into the performance evaluations of INR staff.

- INR is different from but dependent on the rest of the Intelligence Community. We do not have a monopoly of wisdom or critical mass of expertise on anything and we unashamedly seek help from our friends and colleagues in other parts of the IC. We make little or no effort to cover some subjects, either because they are not of direct interest to our State Department customers or because they require expertise that we do not have. For selfish, as well as good government reasons, INR wants and needs a strong Intelligence Community. We are not in competition with other elements of the IC and want to have strong partners, even if we sometimes reach different analytical conclusions.

Mr. Chairman, with the above summary as prologue, I will now briefly outline my goals and plans for INR. I know I am biased, but I consider INR to be a national treasure. I spent more than a decade at Stanford as a research associate and program manager and can say without qualification that many of my INR colleagues are as good as my colleagues in Palo Alto. My number one responsibility, now and if I am confirmed as Assistant Secretary, is to protect and preserve the excellence, independence, and objectivity of the Bureau and its personnel.

INR has no difficulty recruiting and retaining outstanding personnel, but, like other USG agencies, we must replace our retiring baby boomer experts. We saw this problem coming and have been working on it, with great success, for several years. But, in all honesty, we cannot yet say with confidence that we have solved the problem. Again, a bit of background might be helpful to put things in context.

INR's reputation and, more important, the factors accounting for that reputation, make it easy to retain good people. Indeed, most civil service personnel who join the Bureau remain in INR until they retire. The number of persons who leave before retirement is small, typically less than one percent per year. Some of those who leave go to other parts of the Intelligence Community—such as Rebecca Farley, who joined your staff after about four years in INR. But generational change, the image of the Intelligence Community, and changing expectations about careers are certain to affect INR in ways that we cannot fully anticipate. What is clear is that we—I—cannot assume that it will be as easy to retain good people in the future as it has been in the past.

Another of the challenges shaping my perceptions and plans for the future is the fact that it is now much harder than it once was to recruit experts from other parts of the IC. For a long time, INR maintained expertise by cherry picking other agencies. Indeed, during the years of downsizing with no clear end point, we made a conscious decision to replace retiring 65 year olds with experienced 50 year olds and INR gained a not entirely unfair reputation for setting the entry-level bar at “a PhD with 20 years’ experience.” Many of the mid-career experts we brought in had been lured away from other IC

agencies. For reasons you probably know as well as I, it is now much harder to find experts on most countries within the IC than was the case in the past and we must do more to "grow our own" and look outside the IC for mid-career recruits.

I realize that this short statement has touched too briefly on too many topics and that it probably has raised more questions than it answered, but I hope that it provides a useful starting point and would be pleased to provide more detail on the points raised or any other questions that you might wish to ask me. Thank you again for your interest in INR and for this opportunity to articulate my ideas on the future of the Bureau and its role in the IC.