After just six weeks in office, the Biden administration released its Interim National Security Strategic Guidance (https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf), providing departments and agencies with the president’s “vision for how America will engage with the world” and instructing them to align their actions accordingly even before the administration completes the process of drafting a full-fledged National Security Strategy. While general, the interim guidance offers some clear markers, including a pledge not to engage in “forever wars” and to “right-size” the U.S. military presence in the Middle East “to the level required to disrupt international terrorist networks, deter Iranian aggression, and protect other vital U.S. interests.” As a new study on Rethinking U.S. Efforts on Counterterrorism (https://www.washingtoninstitute.org/policy-analysis/rethinking-us-efforts-counterterrorism-toward-sustainable-plan-two-decades-after) explains, for technical budgetary reasons any effort to rationalize America’s international counterterrorism posture without sacrificing the security gains of the past two decades may prove frustratingly difficult to accomplish.

President Biden’s interim guidance echoes a broadly bipartisan desire to rationalize U.S. investment in counterterrorism that goes back to at least the Obama and Trump (https://www.dni.gov/files/NCTC/documents/news_documents/Counterterror_Strategy_Factsheet_V.3_FINAL.pdf) administrations. Leaders in both the Democratic and Republican parties also stress the need to end “forever wars,” focus counterterrorism resources on protecting the U.S. homeland, and rely on foreign partners to take the lead—with U.S. support—on countering terrorism in their neighborhoods. As the 2018 National Defense Strategy (https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf) makes clear, “Inter-state strategic competition, not terrorism, is now the primary concern in U.S. national security.” This
reflects both the rise of Great Power and near power competition as strategic threats to U.S. national security and the success of Washington’s twenty-year investment in counterterrorism and homeland security. The terrorist threats facing the United States are more dispersed today than they were on September 11, 2001, but there is now general agreement on the need to move the counterterrorism mission set to a more sustainable and enduring posture.

Operationalizing a shift in how the United States approaches counterterrorism, however, will require navigating significant bureaucratic hurdles, the most significant of which revolves around rejiggering the way the federal government budgets for counterterrorism specifically, and intelligence support across critical mission sets like counterterrorism more broadly. It will also require a robust, top-down system of interagency coordination and strategic planning that has been lacking in recent years.

“Less Warfighter, More NSA”

By definition, shifting away from two decades of counterterrorism premised on an aggressive forward defense posture and toward one more focused on indicators and warning means assuming some greater level of risk. The nightmare scenario involves pulling U.S. forces out of key locations where terrorist groups are active, only to suffer an attack on the homeland due to the loss of key intelligence capabilities. In the words (https://www.washingtoninstitute.org/policy-analysis/rethinking-us-efforts-counterterrorism-toward-sustainable-plan-two-decades-after) of one former U.S. counterterrorism official, “Force investments in counterterrorism are not completely rational; they become emotional once there’s been an attack.”

To mitigate such risks, the United States must rewire counterterrorism intelligence budgets to ensure they are not gutted by default as the Defense Department pivots to address other pressing national security issues. Over the past twenty years, counterterrorism programs were largely driven by military efforts to take the fight to the enemy. Deeply embedded in the military mission, funding for counterterrorism intelligence operations abroad was scaffolded on military budgets. U.S. dollars and intelligence capabilities were overwhelmingly invested in supporting kinetic operations. Likewise, foreign intelligence collection programs—including those that directly support FBI investigations, watch-listing of known or suspected terrorists (KSTs), and other domestic counterterrorism efforts were driven by these military counterterrorism operations abroad. As the United States shifts away from this military posture, the funding and personnel who trickled down to support other key elements of the counterterrorism community will presumably also shift, with the military, to other mission sets. It is critical that policymakers and strategic planners disentangle the funding for counterterrorism intelligence collection from their current larger military budget bins to prevent the loss of key support to downstream counterterrorism activities.

Beyond the $23.1 billion in the Military Intelligence Program (https://www.dni.gov/index.php/what-we-do/ic-budget), much of the $62.7 billion in the larger National Intelligence Program (https://www.dni.gov/index.php/what-we-do/ic-budget) also falls under the Defense Department. As a result, counterterrorism officials worry that as the intelligence community is driven by the National Defense Strategy to focus on interstate competition, a lack of budgetary transparency could leave the community ill-prepared to continue supporting the counterterrorism mission set at the levels necessary to provide effective indicators and warning. One official put it (https://www.washingtoninstitute.org/policy-analysis/rethinking-us-efforts-counterterrorism-toward-sustainable-plan-two-decades-after), this way:

“Today’s counterterrorism infrastructure is built on kinetic actions and tools and this leaves us a bit exposed...We have technical capabilities around the world—SIGINT [signals intelligence], overhead ISR, etc.—and this drives collection for all kinds of things. It’s there to support kinetic efforts, but it is needed for Treasury, FBI, case files, watch lists, and lots more.”

Lt. Gen. Michael Nagata (Ret.), former director of strategic operational planning at the National Counterterrorism Center (NCTC), explains (https://www.washingtoninstitute.org/policy-analysis/taking-stock-us-counterterrorism-efforts-911) further: “The lion’s share of our investments since 9/11 in developing new CT capability and capacity has gone
primarily toward the identification, illumination, targeting and tracking, and, as we say in the counterterrorism world, ‘the finishing’ of terrorists and terrorist plots.” This drove “extraordinary investments in new intelligence community capabilities, a revolution in military affairs when it comes to combating irregular and insurgent forces,” along with the efforts to defend borders and disrupt plots.

In the future, some investments that facilitated this “revolution in military affairs” will need to be reallocated so that they still support the counterterrorism mission, even as it shifts away from a principally military focus to one based on indicators and warnings. The mission may now require fewer armed drones but more drones with sensors and other intelligence collection platforms. “Today, the information we need for many counterterrorism efforts comes from tool sets primarily created to support the kinetic mission,” one senior counterterrorism official explained. “Now, we need to invest in collection; less warfighter, more NSA.” The terrorist threats persist even as the United States seeks to recalibrate its counterterrorism mission set, putting greater pressure on the intelligence community to see threats over the horizon.

**Investment Required in IC Modernization and Innovation**

Securing a dedicated, sustainable counterterrorism budget as the Defense Department shifts to address other national security priorities is critical but not sufficient. Before the counterterrorism burden moves toward indicators and warning, funds must be provided to kick-start an intelligence community (IC) modernization program and develop long-overdue innovations to address today’s terrorist challenges.

Forecasting threats based on intelligence is an art, not a science, and despite herculean efforts, the U.S. intelligence community has been caught flat-footed more than once. In 2009, the intelligence community considered AQAP a regional threat, until Christmas Day “underwear bomber” Umar Farouq Abdulmutallab nearly blew up Northwest Airlines Flight 253 over Detroit. The following year, a bombing plot in Times Square was tied back to the Pakistani Taliban, a group the IC had assessed to be a solely regional threat in South Asia. Then, in 2014, the rise of the Islamic State caught the United States unprepared. Looking back at this failure four years later, General Nagata put it bluntly: “The fact that ISIS suddenly emerged as a strategic surprise for the United States only four years ago should be a sobering realization for all of us.”

While the United States must find new ways to collect information as it reduces its military footprint—fewer boots on the ground will inherently mean fewer opportunities for recruiting sources and collecting human intelligence (HUMINT)—the most pressing need is not for collection but for data management. As Russell Travers explained when he headed NCTC, “If we’re going to get the intelligence right, we need to get the electrons right. Data is everything: whether looking for strategic trends, or conducting tactical level analysis associated with individuals and networks; data is the life blood of the CT community.” Put another way, “the data challenges we face are extraordinarily complex, particularly when we’re dealing with information that is invariably incomplete, generally ambiguous, and often wrong.” And the amount of data is overwhelming: as of late 2019, NCTC dealt with an average of 300 threats to U.S. embassies and consulates a year, and handled more than 10,000 incoming terrorism-related reports a day. Those reports included some 16,000 names to be dealt with daily.

To keep up with the pace of digital data, the intelligence community desperately needs investment in artificial intelligence and machine learning capabilities, which in turn requires significant investment in technology infrastructure to support such systems. It will also require focused efforts to enlist people with AI skill sets. Here, the final report of the National Security Commission on Artificial Intelligence deserves much attention. As the report notes, AI is especially well suited to help with forecasting: “AI will help intelligence professionals find needles in haystacks, connect the dots, and disrupt
dangerous plots by discerning trends and discovering previously hidden or masked indications and warnings. AI-enabled capabilities will improve every stage of the intelligence cycle from tasking through collection, processing, exploitation, analysis, and dissemination.” Data management does not excite policymakers, but it is critical to counterterrorism. As the AI Commission [noted](https://www.nscai.gov/wp-content/uploads/2021/01/NSCAI-Interim-Report-for-Congress_201911.pdf) in its 2019 interim report, “the government is well positioned to collect useful information from its worldwide network of sensors. But much of that data is unlabeled, hidden in various silos across disparate networks, or inaccessible to the government...Even more data is simply expelled as ‘exhaust’ because it is not deemed to be immediately relevant.”

**Budgetary Jujitsu Demands Top-Down Direction**

To make all this work, the counterterrorism enterprise needs significant top-down direction and strategic planning. The budgetary gymnastics needed to enable rationalization of the counterterrorism mission set will be painful, and will not happen if departments and agencies are asked nicely. “We are a Government of Departmental Sovereignty—the way we’re designed, the way money is appropriated, and the way Congressional oversight works,” Travers [noted](https://www.washingtoninstitute.org/media/880). Twenty years after 9/11, the United States risks making critical management mistakes all over again. As the 9/11 Commission Report [lamented](https://govinfo.library.unt.edu/911/report/911Report.pdf): “It is hard to break down stovepipes where there are so many stoves that are legally and politically entitled to have cast-iron pipes of their own.” To address this problem, the 9/11 Commission called for the establishment of a national counterterrorism center, but once founded, NCTC was given authority only to coordinate and convene, not to compel cooperation.

Integrating strategy and effort across departments and agencies is supposed to happen at the National Security Council, but going back to the Obama administration and through the Trump administration, Travers [noted](https://www.washingtoninstitute.org/media/880), “there’s been a degree of downsizing and deemphasizing National Security Council integration.” That will have to change for the kind of budgetary realignment necessary to make a counterterrorism rationalization possible. As one official [explained](https://www.washingtoninstitute.org/policy-analysis/rethinking-us-efforts-counterterrorism-toward-sustainable-plan-two-decades-after), “The way the U.S. government works is that budgets are divided up by departments and agencies and by bins and allocations for specific priorities, like counterterrorism. What we now need to do is find ways to cross-pollinate funding for these intelligence community capabilities so we can address multiple priorities and problem sets. Doing this will require bureaucratic and budgeting jujitsu as we implement changes that will have real world near- to mid-term impacts on big budgets.”

Another area where the White House could play a hands-on role and direct the interagency toward greater integration and less redundancy would be through the NCTC’s Directorate for Strategic and Operational Planning (DSOP). When empowered, DSOP has played a [critical role](https://www.washingtoninstitute.org/media/880) in helping departments and agencies measure and evaluate counterterrorism efforts, identify gaps, and assess risk. It can also play an interagency coordination role on in-the-weeds but critical issues like watch-listing and screening or other low-visibility issues that, left uncoordinated, risk leading to strategic failures. Although the trend in recent years has been to undervalue this directorate, “the [DSOP model](https://www.justsecurity.org/73735/addressing-our-whole-of-government-deficit-in-national-security/) could provide a mechanism for the government to get beyond departmental stovepipes; but that would require a willingness to invest in the greater good—consciously thinking beyond narrow departmental and agency equities.”

In an era of financial austerity, strategic planning for U.S. national security would be better conceptualized as a Venn diagram highlighting areas of overlap, not an array of parallel silos. Intelligence capabilities should be integrated into a national security enterprise such that they can be drawn upon to support multiple mission sets, from Russia or China,
to Iran or North Korea, to counterterrorism, cybersecurity, and public health. Doing so, however, requires White House direction and congressional bipartisanship to take on ingrained bureaucratic habits and territoriality, especially when it comes to budget allocations for counterterrorism. For example, departments and agencies should be required to identify areas of mission overlap, even though that is not how they typically operate or how they are funded and structure their budgets. The goal must be to align departments’ budgets and priorities so that they optimize counterterrorism and other resources.

After twenty years of investing in exquisite and unique counterterrorism tools, America now risks falling behind the times by virtue of allowing tools to direct strategy. Seeking to avoid this classic disconnect between ends and means, policymakers on both sides of the political aisle are pressing for a rationalization of American’s counterterrorism posture around the world. Making this happen will demand that the White House urgently oversee and direct the necessary budgetary review to disentangle counterterrorism intelligence budgets from the kinetic military budgets on which they are currently grafted.

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