

increased while funding for other issues generally fell or remained steady. The counterterrorism component of the overall Intelligence Community budget, for example, at least doubled at most agencies. Former National Security Advisor Sandy Berger emphasized the added funding that was provided for counterterrorism: [page 51]

. . . the Clinton Administration more than doubled the federal government's counterterrorism spending from \$5 billion in FY [Fiscal Year] 1996 to over \$11 billion in FY 2000) at a time of strong bipartisan effort to achieve balanced budgets that resulted in highly constrained spending for most programs. . . [T]he FBI's counterterrorism staff budget increased by 250% and their counterterrorism budget increased by nearly 350%. Similar increases were made in the CIA counterterrorism budget.

In general, personnel allocated to counterterrorism also increased. Although specifics are imprecise, this Inquiry's review and estimates provided by various agencies indicate that the number of personnel working on terrorism steadily increased despite overall decreases in Intelligence Community staffing. Nevertheless, the number of counterterrorism personnel prior to September 11 generally remained small and paled by comparison with post-September 11 levels.

During the course of the Joint Inquiry, Intelligence Community officials identified a number of factors that limited their ability to allocate greater resources for counterterrorism, despite the funding increases that occurred in that area. These included, in addition to the overall general decline in funding for intelligence, outdated and unrealistic intelligence priorities, and an overburdened requirements process.

The Intelligence Community's current strategic-level guidance for national security priorities was established by Presidential Decision Directive (PDD)-35 in 1995. Former National Security Advisor Anthony Lake described PDD-35 as follows: "It formally established our top intelligence priorities and placed terrorism among them, led only by intelligence support for our troops in the field and a small number of states that posed an immediate or potential serious threat to the United States." In an effort to rank the myriad post-Cold War threats facing the United States, PDD-35 established a tier system of priorities. The tiers were broad and concentrated at the upper levels of the scale. For example, there were both Tier 1A and Tier 1B priorities, but the highest priority was assigned to Tier Zero.