STATEMENT FOR THE RECORD BY

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HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

BUILDING CAPABILITIES: THE INTELLIGENCE COMMUNITY'S

NATIONAL SECURITY REQUIREMENT FOR

DIVERSITY OF LANGUAGES, SKILLS, AND ETHNIC

AND CULTURAL UNDERSTANDING

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Introduction

Thank you very much Mr. Chairman, Ranking Member, and Members of the Committee for the opportunity to report on the National Security Agency's (NSA) progress in meeting the Human Resources (HR) and diversity challenges that are central to the continued transformation of the NSA. Enhancing our expert work force and effectively leading and managing our people is a critical task and the key to constructing the unified, end-to-end enterprise needed to achieve and maintain information superiority for America.

Since 1999, in concert with the Director Central Intelligence's (DCI) Strategic Intent, the transformation of the NSA has been focused on four strategic goals:

- Ensure responsive intelligence information and information assurance for national decision-makers and military commanders.

- Continuously modernize the cryptologic system by using advanced technology to provide solutions for the production and protection of information.

- Shape the NSA work force to meet SIGINT and Information Assurance mission challenges.

- Maximize the use of resources through effective business processes and prudent risk to achieve and sustain responsive Signals Intelligence and Information Assurance solutions.

NSA has made great progress in each of these areas but much remains to be done as we embark on the Director's new vision of Transformation 2.0: Cryptology as a Team Sport. This vision furthers the above goals by focusing on dependencies not only within NSA/CSS, but increasingly on dependencies beyond the fence line – in the larger DoD and Intelligence communities. Faced with a variety of changes that include increasing the scale and scope of computer network operations; expanding and in some cases tailoring our products to serve customers at the federal, state, and local levels; meeting new demands necessitated by precision targeting; tracking people and discrete things as well as organizations and nations; and automating processes throughout the enterprise, we will succeed only by improving NSA's collaborative relationships across the board.

Our future objectives include:

- Blending the SIGINT and Information Assurance missions;

- Integrating the strategic and tactical SIGINT enterprise;

- Transforming customer access to the SIGINT process stream; and

- Taking the lead in teaming by enabling more Community collaboration along our five business lines: get it; know it; use it; manage the mission; and manage the enterprise.

Because people are key to the successful accomplishment of all of these goals and their associated programs/initiatives, NSA articulated a work force strategy that is based on growth, skills alignment and knowledge transfer. The strategy outlines the Agency's need to grow the work force to meet increased mission challenges and to acquire the next generation of SIGINT and Information Assurance professionals. But this growth will not take place equally across the Agency. It is targeted toward specific areas and realigns skills to enhance capabilities and readiness in language, focus on analysis, increase our ability to exploit the global network, preserve our expertise in cryptanalysis, strengthen our target development activities, protect our people, and modestly augment some of the enabling functions. The strategy also addresses the Agency's critical need to transfer knowledge between the expert on-board population and the new generation. This is vital to our future success and a critical aspect of transformation.

NSA has made significant progress in hiring, recruitment, retention, skills mix, and training. Despite successes in these areas, NSA recognizes that its diversity is an area in which improvement is essential to sustaining our mission. NSA also recognizes, of course, that these steps to ensure diversity in our workforce must be consistent with the Constitution's guarantee of equal protection. We have taken initial steps to improve the situation, to include moving the responsibility for diversity management to the office that has successfully managed other HR initiatives.

After Years of Downsizing We are Increasing the Size of the Civilian Work Force...

Between FY1990 and FY2001 NSA reduced civilian manpower by 32 percent through voluntary means. With this Committee's support, NSA's manpower authorizations increased by 400 in FY2002, 428 in FY2003, and 965 in FY2004. This growth allowed for significantly increased hiring programs to fill current vacancies and the additional authorized billets with 820 new hires in FY2002, 1125 in FY2003, and 1500 projected for FY2004. As the Agency moves forward, it is now working with the Administration on the budget to increase civilian billets between FY2005 and FY2008 to enhance the existing work force with the multidisciplinary, analytic, and technical personnel needed to transform the cryptologic enterprise.

This growth also presents a significant opportunity to increase NSA's diversity. Fifteen percent of the Agency's work force has been hired since FY2001 and the growth projected in the manpower strategy would allow NSA to increase that percentage to 40 percent by FY2008. As an example of the opportunity presented by this influx of personnel, the Agency hired as many minority employees in the past two years (350 in FY2002 and FY2003) as it did in the previous four years (FY1998 through FY2001).

We Continue to Improve Recruitment Processes...

NSA continues to improve its recruitment processes and expand its presence in the job marketplace. This past year NSA recruiters logged more than 290,000 miles on 268 recruiting trips to 102 schools in 44 States and one Territory. As a key part of the effort to hire more than 1100 new employees and build a pipeline for FY2004, these trips included 27 colleges and universities that have a significant minority population (i.e., African-Americans, Hispanics, Asian-Pacific, and Native American) and 19 professional events.

NSA's student programs, especially the Cooperative Education, Summer, and Stokes Scholarship (formerly Undergraduate Training Program) programs, serve as a prime source of new employee recruits by providing college students and graduates with Agency operational experience. Graduates of these programs can immediately begin productive and responsible assignments. As such, these programs are key feeders into the Agency's full-time hiring program.

Other major recruiting improvements include:

- Establishing an Employee Referral Program, which encourages Agency employees to refer qualified candidates to the NSA Office of Recruitment;

- Doubling participation in Intelligence Community collaborative recruiting events from 4 to 8;

- Outsourcing scheduling, welcome center, and data entry functions, which provides a high level of professionalism;

- Awarding a new advertising contract, which offered the opportunity to highlight diversity issues;

- Refreshing the print media;

- Enhancing web site features and functionality;

- Deploying a new auto call center voice mail system to assist applicants;

- Hiring recruiters with private sector experience;

- Initiating a recruiter training curriculum;

- Publishing the third edition of NSA's award-winning recruiting CD (recognized for excellence by the national advertising industry) and effectively using other new promotional items to market NSA as a quality employer (thanks to this Committee's support for legislative authority to execute this function);

- Using invitation-only career fairs and skill group interview sessions resulting in over 200 hires; and

- Establishing a language hiring bonus and awards program to compete in the extremely competitive language hiring market.

We would be happy to brief you at a later time on our plans for a new print media and web site advertising campaign in the spring of 2004.

But We Also Need to Retain Talented People...

Over the past two years NSA transitioned its workforce to an annual evaluation cycle that links rewards and recognition directly to performance. At the same time, NSA

encouraged managers to push the decision level for promotion and awards down to the lowest possible level so that managers can recognize those who are key to achieving the Agency's mission. NSA increased the overall budget for recognition (10 percent for promotion and seven percent for awards) at a time when employees were giving their all to support the Global War on Terrorism. In addition, the Agency received an additional $2.5 million specifically to recognize employees whose efforts supported the war in Iraq.

NSA used retention bonuses to keep critical employees from leaving. Judicious use of these incentives allowed the Agency to retain just over 100 personnel primarily within the SIGINT Directorate, the Information Assurance Directorate, and in Research areas. NSA also set aside $1.5 million dollars for lump-sum performance awards for individuals demonstrating outstanding work in several of the Agency's most important and sensitive missions. Fifty-eight percent of these funds were offered to personnel working the SIGINT mission and 42 percent were used for the Information Assurance mission.

We've Focused Our Hiring Program On Core Mission Skills...

One of the pillars of the NSA work force strategy is skills alignment, i.e., identifying the skill mix necessary to meet future goals and objectives. This includes evaluating the current work force skill mix, defining mission goals, matching the skill mix to the mission goals, and developing a plan to get from "here to there." Hiring efforts in FY2003 were aligned with this plan. Over ninety percent of all FY2003 hires held a Bachelor's degree or above and the new hire class holds a 3.41 average G.P.A.

NSA exceeded its hiring goals the last three years and maintained an 18.4 percent diversity-hiring rate. This is remarkable given that much of the Agency's hiring took place in the areas of language, analytical, and technical skills that traditionally have less diverse applicant populations. In addition, NSA achieved its best diversity results in computer science, organizational leadership and management, signals analysis, security, and cryptanalysis.

Student programs hired an additional 333 students and achieved a 21 percent diversity rate while shifting the skills of approximately 25 percent of its FY2003 Cooperative Education, Summer, and Stokes Scholarship program skills from

Electrical/Computer Engineering and Computer Science to language and intelligence analysis. New for FY2004 is the Graduate Training Program, in which six outstanding technical undergraduates in Electrical/Computer Engineering, Computer Science, Systems Engineering, and Information Operations were recruited to continue their education at the Air Force Institute of Technology (AFIT) and the Monterey Postgraduate School (MPS). The Committee's inclusion of language authorizing this program in the FY2003 Intelligence Authorization conference report is greatly appreciated.

In addition, NSA's goals in FY2004 include a new two-year Stokes Program, geared towards students who have already started the study of a language in college; a significant increase in the percentage of language students accepted into the four-year Stokes Program; and the development of a High School Native Speaker Program, with a projected implementation date of fall 2004. Through this latter program, NSA will employ high school seniors, who have a native capability in a critically needed language, as high school work-study students, then employ and mentor those students through college while paying their college tuition. NSA also plans to bring in additional language students by participating in the Intelligence Community Analyst Training Program, when it becomes available.

We Are Particularly Focused on Language...

In the past, much of the foreign language material that NSA processed for national security was somewhat formatted. We basically knew who our enemies were and we knew pretty much what to expect. That is no longer the case. Our enemies can be anywhere, and many of them would do us harm in ways that were previously unfathomable. While target and mission expertise is still critical for successful SIGINT work, the foreign language proficiency of the language professional is essential to successfully protect our country. We must understand not only the words, but also the intentions behind the words. This is defined as "Level 3" proficiency, which DIRNSA documented in April 2002 as the formal requirement for working cryptologic language.

At NSA, the Senior Language Authority works in a collaborative partnership with the Military Services and the Defense Language Institute/Foreign Language Center (DLI/FLC) on plans to bring the entire cryptologic language workforce, military and

civilian, to Level 3. These plans identify a need for considerable increases in funding to support adjustments in training, assignments, and numbers of billets.

In this new environment, retaining skilled language professionals is particularly important. Earlier this year, NSA rewarded the qualified and stable staff of professionals who have the requisite language proficiency by increasing the Foreign Language Incentive Pay ceiling for civilians and encouraging DOD action for commensurate military increases in Foreign Language Proficiency Pay. In addition, the DIRNSA recently approved the second step - the Language Analyst Recruitment Bonus and Milestone Award Program. This program consists of two parts. First, a recruitment bonus for new hires will be used to enhance NSA's ability to set starting pay for language analysts at competitive levels. Second, a two-year milestone award program will serve as an incentive to retain new language analysts and encourage them to attain Level 3 language proficiency in the language for which they are hired.

Thanks to the support of this Committee in the FY2003 Intelligence Authorization Act, NSA is working with the National Security Education Program (NSEP) and the National Foreign Language Center (NFLC) on 21st Century Distributed Learning (LangNet). This groundbreaking work at the University of Maryland revolutionizes language education in "less-commonly-taught languages" (LCTLs) and at higher levels. This is accomplished by providing "just-in-time" language learning and maintenance opportunities on demand at a learner's convenience – night or day – through the Internet. To date, more than 1000 learning objects in 15 languages have been delivered.

While the optimal language-learning environment remains a classroom, building a language workforce at the Level 3 proficiency requires 21st century alternatives. All learning objects align with the specific learners' preferences and needs based on diagnostic assessments. All are unclassified and can be shared throughout the nation at large and particularly with the new Flagship Universities, which sponsor programs designed to produce Level 3 proficient graduates in such languages as Arabic, Chinese, and Persian-Farsi. NSA is proud to support and advocate for this first-ever language-related academic initiative for our nation.

In Calendar Year 2005, Two Major Language Initiatives Will Begin...

A new capability-driven language testing system will allow NSA to streamline its language assessments. NSA will go from its current two-part performance-based testing system to a one-part proficiency-based assessment of reading and listening comprehension. In alignment with the Director's goal for all language analysts to maintain a minimum of Level 3 in reading and listening, additional funding has been allocated in FY2004 and beyond to provide training opportunities at the NSA National Cryptologic School with local vendors and, where possible, immersion training. NSA is committed to providing continuous learning and development opportunities for its language workforce worldwide. All language analysts are encouraged to pursue a variety of proficiency performance opportunities to maintain and improve their language readiness.

The second major initiative is the Center for Advanced Study of Language (CASL) at the University of Maryland: The nations' 10th University Affiliated Research Center (UARC). The CASL at the University of Maryland will ensure sustained, sophisticated research in language and linguistics, critical to intelligence work related to the Global War on Terrorism. CASL represents a significant step toward strengthening our nation's language competence by building a community of researchers actively engaged in the practical scientific exploration of a skill so critical to the defense of our nation.

Intelligence Community and Department of Defense Language Boards (composed of senior professionals from NSA, CIA, DIA, DLI, FBI, State Department, and the Services) identified the requirement for the UARC as part of an end-to-end solution to address and improve the U.S. government's foreign language deficiency. In addition to its value in foreign intelligence, the initiative will support effective response to language skill deficiencies identified by combatant commanders and combat support agencies.

With an understanding of the critical nature of languages in national security, CASL will perform innovative research that is framed in the reality of classified missions. The research paradigm will shift from a traditional academic approach to a more pragmatic approach, investigating and improving how language professionals apply their skills in actual language work. Research will be responsive to the requirements

collected, documented, and prioritized by U.S. government language professionals. CASL will also support the federal and national language skill communities by sharing knowledge, conducting independent evaluations, and fostering language and linguistics education.

CASL will initially be comprised of approximately 80 University of Maryland staff members and U.S. government personnel, growing to 150 to 200 personnel over the next five years. NSA, collaborating across DoD and the IC, will coordinate research priorities based upon unique and crucial needs of member components. NSA, DoD, and IC component agencies will provide technical leadership for management of the center and will integrate language professionals from their components into the research activity itself.

We're Ensuring a Well-Trained Work Force with Current Skills to Meet NSA's Evolving Needs...

NSA is committed to providing the highest level of training, development, and educational opportunities for its employees. In addition to offering a myriad of in-house, specialized technical, and cryptologic training, NSA contracts with academia, industry, and consultants to enhance the business and management skills of the workforce. NSA has a proud reputation of supporting the continuing education of its employees, and for FY2004 spent over $6 million to support continuing after-hours educational endeavors.

NSA is an active partner in the Meyerhoff Scholarship Program created at the University of Maryland at Baltimore County in 1988 with a substantial grant from the Robert and Jane Meyerhoff Foundation. The program supports high-achieving students who are interested in pursuing doctoral study in the sciences or engineering, and who are interested in the advancement of minorities in the sciences and related fields. The National Science Foundation and The New York Times recognized the program as a national model. NSA has been supporting the program at an increasing level since 1992. The current grant allows NSA to sponsor up to 10 students.

The Agency's new Center for Leadership and Professional Development has begun creating career road maps for the NSA work force throughout the 22 skill communities to which they belong and creating opportunities for employees to share technical knowledge and work experiences. NSA is aligning training and development

initiatives with the mission needs of individuals, professional communities, and organizations and with values critical to the NSA transformation.

NSA is dedicated to developing "the leadership in all of us," no matter the level of the organization or the job title of the employee, whether the individual is a manager or a technical leader or an individual contributor called upon to lead a project or collaborate with a partner agency. While NSA's leadership and professional development efforts are focused primarily on strengthening the capability of team leaders, supervisors, managers, and senior leaders to achieve mission success through others, we recognize the need for all our employees to hone both their technical and leadership skills. Each NSA employee must be ready to assume leadership roles when the challenge arises and, for transformation to take hold, each employee must participate fully in this team sport called "cryptology."

Within the Agency's new Center for Leadership and Professional Development, we launched an ambitious program of training and development targeted at both basic leadership competencies and specific management skills. In addition to management and leadership courses, we are offering opportunities for leadership assessment, coaching, mentoring, peer networking, and on-line resources to complement and reinforce learning.

We Value Diversity...

NSA recently increased its ability to link diversity with strategic Human Resource policies, plans, and programs by placing the Office of Diversity Management (ODM) in the Associate Directorate of Human Resource Services (ADHRS). This move emphasizes the importance of attaining a diverse workforce by including ODM personnel in the development of strategic manpower management initiatives. The closer integration of these two offices will greatly increase partnership opportunities with key human resources personnel responsible for program development and administration, work force planning, recruitment and hiring, employee relations, dispute resolution, and customer service and support.

The DCI emphasizes diversity as a corporate imperative – a strategic goal – and states, "Our people are our most precious assets – not satellites, or light tables or high-

speed computers." NSA needs to recruit and retain the best that America has to offer from all of her people.

NSA has reaffirmed its commitment to diversity well beyond the recruitment and hiring initiatives mentioned above. Diversity is not just about fairness; it is mission critical. We incorporated this principle into our strategic and business planning and day-to-day operations.

- NSA employees routinely provide leadership and consulting services to the Community Management Staff, IC partners, and the Defense Equal Employment Management Institute.

- NSA's EEO and Diversity Strategies are clearly linked with the DCI Strategic Diversity Plan and are fully incorporated into the NSA Strategic Plan.

- To ensure that Diversity Management is seen as a leadership imperative, we modified executive contracts to include "Leveraging Diversity" as a critical component for success.

- We established a team of six Executive Diversity Champions from the most senior ranks of our business and six Corporate Diversity Councils with charters designed to enable our business objectives.

- We continue to offer and provide a wide range of diversity training to all of our employees.

Conclusion

People remain the key to NSA's success in the 21st century and beyond. We remain dedicated to those efforts that will ensure that we have a truly diverse work force, with the right people with the right skills in the right jobs. As we grow the work force we have an unprecedented opportunity to further transformation by eliminating the barriers that prevent a truly integrated, seamless, cooperative, learning, and thriving information enterprise. With your help, we will continue to provide the vital information that will enable the United States to maintain a decisive information superiority edge.

Thank you Mr. Chairman and Members of the Committee for the opportunity to testify before you today.