Statement for the Record by

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Nominee for the Position of

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before the Senate Select Committee on Intelligence

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Mr. Chairman, Members of the Committee, I am pleased to appear before you to discuss my credentials as the nominee for Principal Deputy Director of National Intelligence—the PDDNI. Indeed, it is an honor to be asked, and if confirmed it will be a privilege to serve. In discussions with the Director of National Intelligence (DNI)—McConnell, we agree that the role of the PDDNI is analogous to that of the chief operating officer of a public company. While the DNI is chief executive officer for the Intelligence Community (IC)—and principal intelligence adviser to the President and other senior leaders, the PDDNI should be focused on coordinating and integrating the day-to-day efforts of the 16 elements that comprise the IC. Before addressing my vision for the IC, allow me to highlight my background that uniquely qualifies me to serve as the PDDNI.

Over a 40-year career, I have held a number of senior-level public and private sector positions, and have obtained a number of critical skills and lessons learned. In considering the challenges facing the IC, as well as the responsibilities of the PDDNI, I would ask you to consider five key areas of strength and experience that are applicable to this position: an ability to identify and deal effectively with troubled components; a strong technical background; coalition-building skills; the ability to drive organizational cultural change; and a strongly-held belief that an effective planning system coupled with strong financial management can achieve superior results. While I learned this latter lesson in private industry, I have applied this model in all my subsequent government assignments. I have also learned that the tools and techniques, used to integrate acquired companies, can be effectively applied in the government environment.

As this Committee knows from first-hand experience, I have been both personally and professionally committed to national security throughout my career. I have had direct responsibility for intelligence and defense activities in four different government agencies: the Department of Energy, the Federal Bureau of Investigation, the Central Intelligence Agency, and the National Reconnaissance Office, and have supported intelligence programs in private industry, and as a staff member and later as director of a national laboratory. I have had opportunities to work on a wide variety of intelligence issues, including nuclear proliferation, arms control monitoring, nuclear test detection, and the development of future air and space reconnaissance systems. I am particularly proud of the programs I have led to bring technical solutions to intelligence and law enforcement challenges. My commitment to countering terrorism began with activities in 1978-79 as a member of the NSC Executive Committee on Terrorism. This commitment was substantially reinforced by direct responsibilities investigating the East African embassy bombings in 1998 and the attack on the USS Cole in 2000, and refocused by 9/11 and the efforts of the past five years.

I would like to share my personal vision for the IC, as well as several goals that I believe are critical for more effectively focusing the Community in the challenging, post-9/11 environment. I would also like to share my philosophy about the role of intelligence in our national security construct. A popularly held contention is that the role of intelligence is to protect the nation from all harm. While this is a succinct way to state the ultimate goal, I think the situation is more complicated than that. One academic described the role of intelligence as extracting certainty from uncertainty and

facilitating coherent decision-making in an incoherent environment. These are not activities that lend themselves to guarantees or perfect scores as we would like, but they reflect the reality in which we operate. If I were to state what I believe is the essence of national intelligence, I would say that its primary goal is to reduce the risk our Nation faces today and tomorrow. The National Intelligence Estimate, "The Terrorist Threat to the US Homeland," makes clear that we will face a persistent and evolving terrorist threat over the next several years—a threat that will challenge our current defensive efforts and tools we use to detect and disrupt plots.

My "philosophy" is not meant to minimize the critical role each and every one of our intelligence professionals—nor the Intelligence Community, as a whole—plays in warning about current and future threats. The challenges we face not only demand our ongoing dedication and commitment to the national intelligence mission, but more importantly new and innovative approaches to the work we do; the operations we plan and carry out; the collection assets we design, build and operate; the analyses we produce; and the strategic partnerships we make across traditional and non-traditional boundaries.

Every era has its seemingly impossible challenges. The future is fraught with unpredictable elements and trends. The elements that could significantly transform the geopolitical landscape include nuclear proliferation, catastrophic terrorism and even a pandemic disease. The intelligence enterprise must think ahead to ensure that the capabilities needed to deal with these challenging and oft times explosive issues are available to the analyst, policymaker, operations officer, and warfighter when they are needed. This is all the more difficult, because the threat is no longer predictable and confined to specific

geographic areas. It is mobile, dispersed, dynamic, and distributed. Intelligence problems are also developing at a much more rapid pace than ever before. We must posture ourselves to adapt and respond quickly, in an integrated fashion, to evolving problems. To that end, I believe there are a number of goals that capture what we need to excel as a Community in order to grow our comparative advantage and reduce the myriad risks to our nation:

- Seek global situational awareness
- Deliver critical information to support timely decision-making
- Anticipate strategic threats and
- Operate as a unified, integrated—but distributed--enterprise
- Adopt technologies and concepts of operation that cause adversaries to react in ways that give the US advantage
- Maintain appropriate investment levels for future capabilities

In order to set the Intelligence Community on a path toward achieving these goals, there are three elements that need to be in place to support the Community. First, the IC has a solemn duty to gather critical intelligence, but to do so in a way that complies with the constitutional and other legal requirements that protect the freedoms and liberties of the American people. There must be proper training and oversight mechanisms for the IC to ensure that there are clear legal rules for IC personnel operating in this critical area. Given the non-public nature of much of the IC's work, the DNI must also ensure that Congress is kept appropriately informed of IC activities to enable Congress to perform its oversight responsibilities.

Second, we have a responsibility to provide timely information to Congress to support effective oversight. Congressional oversight plays a key role in ensuring that the Intelligence Community is performing as envisioned. To exercise such oversight responsibilities, the Committees must understand the intelligence process, its organizations, policies, funding, and activities. The DNI and other members of the Community must communicate on a regular and continuing basis to keep the oversight committees fully and currently informed, consistent with the protection of sources and methods.

Third, the Intelligence Community must deliver intelligence information to decision-makers without bias or prejudice. Intelligence analysis must be held to the highest standards of integrity and objectivity. It must also be rigorous, timely and independent from political consideration. To position ourselves to meet the analytic challenges of today and tomorrow, we must go beyond simply doing our current jobs better. We must transform the way our analysts do their work. We must more effectively leverage new and emerging technologies and reach out to expertise wherever it resides. If confirmed, I will strongly support the Intelligence Community's efforts to measure and track progress in implementing these analytic standards, including the use of alternative analysis.

Effectively inspiring the expertise and experience of our talented intelligence professionals requires strong and focused leadership. If confirmed, I would bring particular emphasis to a number of areas. I would look to focus on effective financial management, including reducing the indirect cost burden wherever possible. This effort speaks to Director McConnell's goal of modernizing business practices and developing verifiable

metrics. My experience at the Central Intelligence Agency (CIA) and the National Reconnaissance Office (NRO) is that accountability for funds is effective. Although there are always improvements that can be made, the real challenge is developing the right balance between tighter controls and mission effectiveness and making financial reporting more useful to those who manage our programs. I believe that continuous improvement in financial management should be an Intelligence Community priority.

While at the NRO, I have seen first-hand the added-value in establishing more effective financial management processes, procedures and management controls to put us on a path toward an unqualified audit opinion. The DNI recently developed a unified financial management plan for the IC as part of his 100 day plan to modernize business processes. If confirmed, I will assist the DNI in moving the Intelligence Community forward from today's uneven, but improving, financial management environment to one characterized by common business processes and integrated systems that adhere to recognized best business practices across industry and government. I strongly support Director McConnell's emphasis in this area.

Accountability is critically important in ensuring that officials are responsible for their actions. Within the IC, accountability ultimately rests with the DNI and the PDDNI. However, in a government based upon checks-and-balances and collective decision-making, determining individual accountability is often very difficult. It has been my experience that most government employees, regardless of whether they reside in the executive, legislative or judicial branches, are simply trying to do what is right for the taxpayer. However, there are occasionally egregious exceptions, and when

they occur, swift and decisive action must be taken. Each and every member of the Intelligence Community is responsible for using the resources entrusted to them judiciously. Additionally, all government employees are expected to ensure their performance is consistent with the highest standards of professionalism and integrity. One of the first items on my agenda, if confirmed, would be to ensure that each member of the IC is fully aware of what is expected and required. I will take decisive action wherever and whenever necessary.

There has been much discussion recently about the role of contractors in the Intelligence Community. There are compelling reasons we use contractors to perform critical functions within the IC. In the NRO construct, our industry partners design and build our satellite systems, as well as provide 24/7 operational and maintenance support. We also rely on contractors to provide the basic services that we generally take for granted in the course of our day. These are services that are more economically outsourced and include everything from network maintenance to janitorial support. There are also certain exigencies that justify an intelligence agency's use of contractors. For example, if an agency has a short term project or mission that exceeds the capacity of its current staff, it is sometimes more appropriate for that agency to use contractors to meet that temporary need than to hire and train permanent federal civilian employees to perform the work. We also employ contractors to provide specialized, niche capabilities that we may not be able to perform with government personnel. In each of these areas, contractors must be used judiciously, with full oversight from the government to ensure that they provide the services we need but do not perform work that is inherently governmental. If confirmed, I will continue to examine the appropriate use of contractors within the Intelligence

Community. The key to successful partnership with the contractor community is to view the management of the relationship as an inherently government function.

My general philosophy in evaluating the appropriate use of contractor support is: no contractor shall perform work that a government person should be doing; under no circumstance should a contractor make policy or investment decisions on behalf of the government; and the use of contractors must be more cost effective than using government resources. For example, to establish a cadre of government network administrators would be more expensive and possibly less effective than to contract-out with a telecommunications company to provide the service. It is appropriate to use contractors when they offer unique, distinct, or "surge" capabilities that may not be available within the government. Most importantly, all contractors and employees of the federal government must comply with the Constitution and laws, as well as with the governing regulations of the organization they support. If confirmed, I will continue to examine and enforce the appropriate use of contractors within the IC.

I believe that the importance of a highly trained workforce cannot be overstated, both for the NRO and the IC. I have taken a number of steps in this area while at the NRO. First, I signed a Statement of Intent with the Air Force Chief of Staff, which makes clear that the Air Force and NRO will work together to improve the career development of our shared workforce. The NRO has also teamed with Air Force Space Command to train space professionals across the government at the new National Security Space Institute in Colorado Springs. I am working on similar initiatives with the CIA. Currently, the NRO's Acquisition Center of Excellence is helping NRO acquisition professionals

complete education requirements leading to advanced degrees in Public Management and Engineering Administration. We have also partnered with Virginia Tech to provide the Engineering Administration degree program on site at the NRO. In addition, the NRO is also establishing a virtual University that will provide an integrated, career-focused program that combines specialized training provided by the NRO directorate- and office-based schools with an NRO-wide curriculum focused on shared context, values, informational needs, and leadership. These initiatives are in addition to an already robust Systems Engineering Professional Development and Certification program that last year certified 151 systems engineers.

If confirmed, I look forward to supporting Director McConnell in his effort to more closely integrate the Intelligence Community. During my tenure, the NRO has been working toward an integrated mix of overhead and ground-based capabilities tailored to the geographically dispersed and dynamic nature of current and projected intelligence problems, as well as the diverse needs of our users. Integration is not only a watchword for technical collection and operations, but it is imperative that we integrate intelligence collection and analysis more effectively—they are symbiotic disciplines.

We can only achieve our goals and objectives by becoming unified in our commitment to the Intelligence Community's contribution to the strongest defense possible for our Nation and our people. Thank you for the opportunity to share with the Committee my background and - if confirmed - my vision for my new role and responsibility. I look forward to answering any questions you may have.