

**OPENING STATEMENT
TO
THE SENATE SELECT COMMITTEE ON
INTELLIGENCE**

Thank you, Mr. Chairman and members of the Committee. I've been before this Committee many times but never in circumstances quite like today.

I'm honored to be introduced by Congressman Murtha. My family back home in Pittsburgh will be elated that I have been introduced by such a distinguished Western Pennsylvanian.

I am also honored to have received the very kind remarks from a good friend and supporter, Senator Barbara Mikulski, who has taken both me and the National Security Agency under her wing. She is a true supporter of intelligence and the job it does to protect the Nation.

Before I get too far into my remarks, I would like to introduce the members of my family who are with me here today: my wife, Jeanine, a counselor by training, who has supported me and been a partner in my work for over 37 years. Most recently at NSA she took on the responsibility of supporting Agency families after the attacks of September 11th. She formed the Agency's Family Action Board and continues to serve as an advisor.

My brother Harry is here as is our daughter Margaret, an officer in the Air Force Reserves. Her two brothers, our sons, could not be with us today.

It is a privilege to be nominated by the President to be the first Principal Deputy Director of National Intelligence, and

frankly it is a little bit daunting. A lot of people will be depending on us to do well in tough circumstances.

Senator Rockefeller, my brother Harry thought this important enough that on the day of the President's announcement he took his delivery truck into a truck stop on I-79 in Morgantown and had to drop a \$10 tip on a cup of coffee to get the waitress to turn off ESPN in favor of C-SPAN. She watched the announcement with my brother and told him to wish me good luck.

A day after the announcement I got an e mail from a boyhood friend. We were inseparable until he moved away in the 6th grade. We lived on the flood plain of the Allegheny River on Pittsburgh's Northside in a district called the "Ward", right between Heinz Field and PNC Park today.

He wrote: "The Ward, the street parties, the picnics, Clark candy bars and Teaberry gum thrown out the 5th floor windows to kids cheering on the street and the damp train trestle on the way to and from school are the things that you are made of. You'll never get too far from them. *It's those things that you will be protecting.*"

Ambassador Negroponte appeared before you earlier this week and made the importance of US intelligence quite clear. This committee already knows full well the challenges being faced by US intelligence so I will not try to catalogue them here.

So we find ourselves as a community in an interesting place: never more challenged by the world in which we find ourselves and never more important to the safety of the Republic we are committed to defend.

Dilemmas surround us. We want more cohesion, a better sense of direction throughout our community. Indeed, the WMD Commission said that we were a community in name only. But we

don't want such centralization that it leads to group think or a herd mentality when it comes to analysis.

We need to aggressively develop more effective ways to “connect the dots”, even when there may not be many dots and those that exist may be hidden in the noise. But we should also not base our analysis on past context alone, or mere inertia, or isolated data points.

We want to strengthen the center of our community, give the DNI real power, certainly more than we ever gave the DCI. But we are to preserve the chain of command.

We all know that the enemy may be inside the gates and that job one is to defend the homeland. But we are also to ensure the privacy rights of our citizens and closely control any data searching tools that we might have.

I could go on. But you get the picture. This is very hard work.

When I testified before the House Intelligence Committee last August, I said that the American intelligence community had been governed by the principle of consensus for almost half a century. It wasn't a bad principle for most of that time. It gave us buy-in. It balanced competing needs and priorities. It gave us stability.

As an airman, I know the value of stability in the design of an aircraft. In many aircraft it's an absolute virtue. When I talk about this I usually ask the audience what is the opposite of stability and their standard response is predictable: *instability!* In fact, that's not true. In aircraft design the opposite of stability is maneuverability — and that, too, is a virtue.

The IC needs more maneuverability. But it's hard to make sharp turns by consensus. Consensus is rarely bold. And many times it is wrong.

So last summer when the 9-11 Commission reported; in August when the President announced his support for a DNI; and this fall when Congress enacted intelligence reform legislation—it was clear that we were dampening the principle of consensus in favor of more clear lines of authority and responsibility when it comes to running American intelligence.

I told the House that—if we went down this path—three major principles would have to apply. First, if we were to dismantle the DCI and the informal authority he exercised because he also headed up CIA, then we would have to aggressively codify the authorities we wanted the new Director of National Intelligence to have.

Second, the new DNI would need robust authority over the big, muscular national collection agencies like the National Security Agency, the National Geospatial Intelligence Agency, and CIA's Directorate of Operations. In terms of collection you need unity of effort and economies of scale.

And third, this new structure would have to accommodate the needs of America's combat forces, needs that daily seem to define new standards for relevance and timeliness.

I believe that the legislation signed by the President gives us a solid framework within which to build for each of these principles. The Office of the DNI has real authority to task both the collection and analysis of intelligence. The DNI has more authority over the budget than was ever exercised by the DCI. And the DNI has policy, security, information sharing and personnel tools that have never before existed in one place.

But I was careful to describe the legislation as providing a framework. In each of these areas the powers of the DNI will have to be built by what I've called "case law"—the concrete use of his new authorities—early and often—in actual circumstances.

And my role—should we be confirmed—will be to support Ambassador Negroponte in this effort. He brings a wonderful, personal history of service to this task along with years of government and policy experience. I believe I was chosen by the President because he felt I knew the neighborhood and I pledge that I will use this knowledge to support the Ambassador in this effort.

For the first time in the history of our community the legislation has made governing that community somebody's fulltime job. That's a fundamental difference.

And we are not without tools beyond the legislation itself.

I've learned in my six years at NSA just how talented a workforce we had there, a workforce that represents the kind of people we have throughout our intelligence community. I often say that the real power of NSA goes down in the elevators at night.

In fact, when asked recently to summarize in one phrase whatever success I had at NSA, I responded that I had simply "empowered" our people and our success has come from their empowerment. That can apply across the community

The Ambassador and I are also blessed with the support of the Congress. During the debate on the Intelligence Reform Bill I was personally impressed with the passion with which so many members regarded this subject. In preparing for these hearings I've met with many more members who showed deep interest in

the specifics of the statute and in its implementation. More than one member has publicly told us to "be in charge." We've also been urged to exercise "clear, charismatic leadership."

And finally, beyond Congress, we have the strong support of the President. His words on the morning when he announced Ambassador Negroponte's and my appointments were quite specific in this regard. The DNI will "set the budgets." He will have "access to the President."

I have no illusions about the weeks and months ahead. We have to set up an office, build an organization, hire the right kind of people (from inside and outside of government) and begin to make some tough decisions.

We have to exercise the power that you and the President have given us without creating a new layer of bureaucracy. We have to be authoritative. And we have to be right. The DNI must ensure that we have the information dominance to protect America, its people, its values and its friends.

I know that this committee will remain very interested in our work. In fact, several reports are due almost imminently. I look forward to working with the Committee in the days ahead and now look forward to your questions.