

**NOMINATION OF DENNIS C. BLAIR TO BE
DIRECTOR OF NATIONAL INTELLIGENCE**

HEARING
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
OF THE
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
FIRST SESSION

JANUARY 22, 2009

Printed for the use of the Select Committee on Intelligence



Available via the World Wide Web: <http://www.access.gpo.gov/congress/senate>

U.S. GOVERNMENT PRINTING OFFICE

52-505 PDF

WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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CONTENTS

JANUARY 22, 2009

OPENING STATEMENTS

Feinstein, Hon. Dianne, Chairman, a U.S. Senator from California	1
Bond, Christopher S., Vice Chairman, a U.S. Senator from Missouri	3
Inouye, Hon. Daniel K., a U.S. Senator from Hawaii	10
Prepared statement	11

WITNESS

Blair, Dennis C., Director of National Intelligence-Designate	12
Prepared statement	13

SUPPLEMENTAL MATERIALS

Prepared statement of Hon. Russ D. Feingold, a U.S. Senator from Wisconsin	27
Questionnaire for Completion by Presidential Nominees	52
January 12, 2009 Letter from Robert I. Cusick, Office of Government Ethics, enclosing a copy of the Public Financial Disclosure Report of Dennis C. Blair	79
January 21, 2009 Letter from Dennis C. Blair to the Honorable Dianne Feinstein	94
February 4, 2009 Letter from Robert I. Cusick, Office of Government Ethics to Senator Dianne Feinstein	96
Responses to Questions for the Record	103

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THURSDAY, JANUARY 22, 2009

U.S. SENATE,
SENATE SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Committee met, pursuant to notice, at 10:04 a.m., in Room SH-216, Hart Senate Office Building, the Honorable Dianne Feinstein (Chairman of the Committee) presiding.

Committee Members Present: Senators Feinstein, Rockefeller, Wyden, Bayh, Feingold, Nelson of Florida, Whitehouse, Levin, Bond, Hatch, Snowe, Chambliss, Coburn, and Risch.

OPENING STATEMENT OF HON. DIANNE FEINSTEIN, CHAIRMAN, A U.S. SENATOR FROM CALIFORNIA

Chairman FEINSTEIN. I am very pleased and honored to convene this first public meeting of the Senate Select Committee on Intelligence in the 111th Congress. I'd like to introduce at least one new member who is here, Tom Coburn, the distinguished Senator from Oklahoma. We're delighted to have you join the Committee. And Senator Risch is also a new member from Idaho and he will be coming shortly.

I'd like to proceed this way. I'd like to make an opening statement. I will then turn to the Vice Chairman for any remarks he might have. And the former Chairman of the Committee, the distinguished Senator Rockefeller, has asked for some time as well. After Admiral Blair gives his opening statement, we'll use the early bird rule for five-minute rounds. Of course, just prior to Admiral Blair making a statement we'll introduce the Senator from Hawaii, Daniel Inouye, who will introduce him.

I would like to just make a couple of comments about the functioning of this Committee. Let me begin by saying that I very much look forward to working with this Committee and with Vice Chairman Bond. We're trying to get the Committee to operate smoothly and with the whole staff, Democratic staff and Republican staff, working together for the entire Committee.

It is my major goal to continue the trend of increasing oversight of the intelligence community. As one means of doing it, Admiral Blair and I discussed having monthly sessions where he will come in with the Director of the CIA and other key officials to share thoughts on what the intelligence community is doing and how well it is doing.

I really want to acknowledge Senator Rockefeller, the former chairman of this committee, who has served as both Chairman ac-

tually and Vice Chairman over the past six years. He's done a terrific job and I hope to do as well.

Finally, I welcome President Obama's nominee to be Director of Intelligence, Admiral Dennis Blair. Admiral Blair is known to many of us from his years of service as the CINCPAC, the commander-in-chief of the United States Pacific Command. He served in the national security field all of his adult life, attending the Naval Academy and serving in the Navy from 1968 to 2002. He worked twice in the White House, first as a fellow and then on the National Security Council staff. He worked for two years at the CIA as the associate director for military support. And he was named to be the director of the Joint Staff in 1996.

Admiral Blair has been a consumer of intelligence through his career, as well as the manager of naval and theater intelligence assets. He's had interactions at the top levels with intelligence agencies, including his two years spent on the seventh floor of CIA headquarters down the hall from the Director's office.

I called former Secretary of Defense Bill Perry and asked him about Admiral Blair, and here's what he said. He said I appointed him to the Joint Chiefs when he was a two-star, and he was one of those who could think outside of the box. I think that is a real compliment.

If confirmed, Admiral Blair will become the nation's third Director of National Intelligence, following Ambassador John Negroponte and Admiral Mike McConnell.

Now let me just stress this. As one who actually put forward the first DNI legislation, the role of the DNI is to be the leader of the 16 intelligence agencies that make up the intelligence community.

The law creating the position, the Intelligence Reform and Terrorism Prevention Act of 2004 gives the DNI three principal responsibilities. He is the head of the intelligence community. He is the principal adviser to the President, the National Security Council, and the Homeland Security Council for intelligence matters related to national security, and he is in charge of overseeing and directing the implementation of the National Intelligence Program, which means he controls the intelligence budget.

The position of the Director of National Intelligence was created so there would be a single leader of the 16 agencies that make up the community to see that the stovepipes that characterize the pre-9/11 world are done away with. The intent was to create an executive with budget and policy authority. He would assure that the intelligence community provides the President, the Congress, and other policymakers with accurate, actionable intelligence.

That's a substantial challenge that Admiral Blair, if confirmed, will face. There is a need for intelligence on what is going on around the world, a world that has grown more complicated due to the rise of asymmetric warfare and the growth of a rigid fanaticism.

To make matters more difficult, the credibility of intelligence analysis was severely damaged by the October 2002 National Intelligence Estimate on Iraq's weapons of mass destruction. This must never happen again, and it is my main goal to see that all systems are in place to prevent it from ever happening again.

Also, the legality and morality of intelligence operations were thrown into doubt by warrantless wiretapping and the use of coercive interrogation techniques. In my view, the President is taking necessary action today in introducing Executive Orders to close Guantanamo and end CIA coercive interrogation practices. I also appreciate the steps the new Administration has taken to discuss these matters with me and with the Committee. Yesterday the President's Legal Counsel came before the Committee and briefed us on these prospective Executive Orders. So I hope it signals a new day in having an open and cooperative relationship between these branches of government.

From my review of your record, Admiral Blair, I am hopeful that you will be an effective leader for the intelligence community in meeting these challenges. I trust you will be part of an administration that will restore the partnership of the executive and legislative branches, insuring the national security and keeping our country safe and strong.

With that, I turn to Vice Chairman and then the former Chairman for their remarks.

**OPENING STATEMENT OF CHRISTOPHER S. BOND, VICE
CHAIRMAN, A U.S. SENATOR FROM MISSOURI**

Vice Chairman BOND. Thank you very much, Madam Chairman. I have the honor to be the first one to say that in the first hearing of this Committee in the 111th Congress, and I congratulate publicly on becoming the first woman in history to chair the Senate Select Committee on Intelligence. My colleagues and I look forward to your leadership on the Committee with, with the strong working relationship that you and I have had over the years in the Senate I am confident that we can and will work together on a vast array of issues of intelligence for the benefit of the American people.

My staff director tells me and I have seen the staff relations on the Committee have dramatically improved already. There's been tremendous progress made in the day-to-day operations of the Committee. I know that you are responsible for directing these changes, so I thank you, Madam Chair, and I think there will be a great benefit from our staff in this Congress as we work together on a bipartisan basis, utilizing all of the talents of all of the great staff people we have.

Madam Chair, I join with you in welcoming Senator Coburn and Senator Risch, who have great reputations and will be excellent members of the Committee.

Turning to today's hearing, Admiral Blair, I welcome you before the Committee for the hearing on your nomination. I extend a warm welcome to your wife Diane and we thank you, Diane, for standing by your husband all the years in the military and now for your willingness to support him in taking on the important position in the service of his country.

Admiral, as you know, your nomination comes at an important time in our nation's history. We face threats of many different kinds, of terrorism and other state actions.

Unfortunately, it seems to me that some tend to forget the direct assault on this country on September 11, over seven years ago. The lessons we've learned from that day that those responsible have

avored to inflict more harm and death upon us. Those who forget are content maybe to go back to the older ways of doing business. They argue terrorists should be tried as ordinary criminals, not terrorists captured on the battlefield—unlawful combatants.

They call for terrorists be given the same constitutional protections as our citizens. Benefiting from a government that has kept America free from further attack over the past seven years, they forget that our entire way of life is just a few minutes away from annihilation if terrorists were to succeed in obtaining a weapon of mass destruction or carry out an unrecoverable attack on our nation's infrastructure.

In contrast to those who may forget, however, the fine men and women of the intelligence community at large that you will be leading, I have met with them continually throughout the six years I served on this Committee. And they wake up every day remembering the September 11 catastrophe. They understand their mission well. Each day it's the same—to keep our nation and citizens safe in the face of increasing threats by collecting, analyzing and disseminating critical intelligence for policymakers and commanders.

It's critical that the next DNI be committed to playing offense against those who threaten our way of life. He must be committed to this task, but he cannot afford to be a one trick pony who only knows counterterrorism. But you must focus on the myriad of other challenges we face in the 21st century.

Let me pause to say just a word about the man you are succeeding. In many different positions Admiral Mike McConnell has served this country honorably and with distinction. Three years ago he returned to government service, answering the President's call to lead the intelligence community. I think this country and we owe Admiral McConnell a great debt of gratitude.

Chief among them are his yeoman efforts working with this Committee and the Congress on the passage of much, much needed updates to the Foreign Intelligence Surveillance Act, first with the Protect America Act of 2007 and later with the FISA Act amendments of 2008. Amidst strong opposition and oftentimes unfair criticism, he acted with great integrity and was thrown headfirst into one of the most controversial debates we've had in some time.

The updates of FISA have given our dedicated intelligence community professionals the tools and authorities they need to stay ahead of terrorists, and they did so, adding things that this Committee on a bipartisan basis added to ensure and protect the constitutional rights and the privacy rights of American citizens.

Collecting information on a good day is an incredibly difficult job. Fortunately, the new authorities, along with significant improvements we made in the USA PATRIOT Act, have made it a more manageable task.

Admiral, hope you have spoken with Admiral McConnell about what lies ahead. He said you've had some good conversations. I'm sure he will offer you unique perspectives and sound advice. Only one other person has served in that role, and I will speak for my colleagues when I say that Admiral McConnell's experience, integrity and dedication to the intelligence community were significant and we will miss him.

Although there have been many improvements under Admiral McConnell's leadership as the DNI, we're still a long way from full and complete reform of the intelligence community. When Congress created the office of the Director of National Intelligence in 2005, there was a strong sense that the intelligence community lacked clear direction and cohesiveness. IRTPA of 2004 tried to fix that by creating a DNI to lead the community.

I voted against the legislation then, and I believe now that the DNI was given a tremendous amount of responsibility without the requisite authority to do the job. In my view, we either should not have created the DNI and just looked to strengthen the community relationship, or we should have given or should now give the DNI the authority commensurate with the responsibility we have landed upon him.

We need to get this balance right and get rid of turf issues that keep popping up. To do this we need two things—action by Congress and a commitment by you, if you are confirmed as the next DNI, to direct the community. Let me stress the word “direct.” Over the past year Admiral McConnell started referring to himself as a coordinator rather than a director, in recognition that he did not have the statutory authority to which I refer.

That point is the utmost of the utmost importance, Admiral. The House and Senate Committees, oversight committees, are divided on this issue, but it's quite clear in comparing the House and Senate intelligence authorization bills that never became law, I might add, that the Senate generally favors a director and the House favors a coordinator. We can't keep looking in both directions, though, and your views on this matter will be very important. And I'd like to know your position on this before we leave here today.

Speaking of authorization bills, you may be aware this Committee has not had an annual authorization bill signed into law for the last four years. The Chair and I are dedicated to breaking that record and getting this Committee back to bipartisanship, passing authorizations, hopefully in the very near future.

I realize there are some individuals who haven't minded the absence of an intel bill, but I believe our inability to get a bill signed has been a serious mistake. It made the people's oversight through this Committee less relevant and it supports the notion that congressional oversight is dysfunctional. This is a charge leveled by many of the commissions and committees that have looked at intelligence.

Authorization of the intelligence programs is important because they foster a good working relationship between this Committee and the community; ideas flow both ways, everyone works together to make sure that the IC can fulfill its ultimate mission of keeping this country safe.

But it also gives the Committee in its oversight role an opportunity to offer effective solutions when necessary. For the past several years, I have sponsored a number of what I like to call good government provisions that I hope will soon become law, provisions that attempt to restore accountability and sound fiscal management to the IC.

For example, we would give the DNI authority to conduct accountability reviews of an IC element or personnel in relation to a

failure or deficiency within the community. Too often we've seen poor judgment or serious mistakes go uncorrected or, even worse, at times people who exercised poor judgment have been promoted or otherwise rewarded, and I think that's unacceptable. Giving the DNI the authority to step in and conduct these reviews will encourage accountability and good practices.

Admiral, I hope that when you're confirmed as the DNI you will use this authority to send a message that poor performance will not be tolerated, let alone rewarded. It's not a matter of micromanaging the agencies or overlooking the shoulder of the agencies' directors. It's about ensuring that there be a clear standard of accountability throughout the community and regaining the confidence in the community's analysis that has certainly had its share of problems in the recent past. You'll be responsible for this, and the Committee will hold you responsible for it.

We require the DNI to conduct annual personnel level assessments. We want to make sure we have enough fine men and women to do the job, but growing the IC without a clear plan could create an unnecessary bureaucracy and waste hard-earned taxpayer dollars.

Third, I have sponsored a number of related provisions designed to get a handle on an acquisition and budget process that has grown out of control. At a time when the taxpayers of this country are struggling to pay their bills, they do not want to see their hard-earned tax dollars squandered on programs that do not work. They want to see the intelligence community spending the taxpayers money wisely.

I'm not suggesting the severe budget cuts that at the conclusion of the Cold War gutted our intelligence capabilities should be reenacted. Rather, the DNI must make sure that the money is being spent in the right place to address the threats we face now and expect in the future.

In this regard, Senator Mikulski and I have sponsored a solution that this Committee has recommended to address our nation's overhead architecture system that promises to save the taxpayers, we believe, potentially billions of dollars. We can talk more about that in another setting.

It is my hope, Admiral Blair, that all these provisions will be signed into law soon and that this Committee will be on track with its authorization process. If you're confirmed, when you're confirmed, I look forward to working with you on these.

Additionally, the Committee will work with you and look to you to get a handle on the agency's budget and personnel levels. We expect you will find innovative ways to create career paths and opportunities that are attractive to employees so the IC can not only recruit but retain the best.

Additionally, the IC needs a strong leader who can stand on equal footing with the Secretary of Defense and other Cabinet officials. There may be occasions when the interests of the Secretary of Defense are not compatible with the intelligence community interests. I expect that, if necessary, you will be assertive in these cases and not back down. The intelligence community deserves no less from you.

I also expect you to exert the appropriate authority over the CIA. When Congress created the DNI, we intended the Director of CIA to be subordinate to the DNI. It's the DNI, not the CIA Director, who is the leader of the IC. It follows, then, that it is the DNI who should answer to and have access to the President.

I understand in practice this may not always be easy. No one likes to rock the boat point, quite simply. The CIA Director nominee is fortunate to have a good relationship with the President. That should not be a deterrent. I am confident that years of command experience will help you navigate the situation and be the leader that Congress intends.

Admiral, if you do not believe that you have authority to direct the IC, as Congress intends, I expect and hope that you will tell this Committee exactly what authorities you need to do this job right.

Today I'm also interested in hearing your thoughts on the CIA's interrogation and detention program, particularly in light of past comments about the benefits of aggressively arresting and interrogating terrorists and the President's stated intention to close the detention facility at Guantanamo. Obviously, closing that facility raises a host of problems, as evidenced by the recent decision in the case of the 20th hijacker.

For example, do we transfer detainees here to the United States for trial? I don't know of any city or town around this country that would be thrilled to have Khalid Shaykh Mohammed or Abu Zubaydah living down the street. And under what evidence rules should they be tried?

These are not ordinary bank robbers. They are terrorists apprehended overseas, sometimes through intelligence means that could not and must not be disclosed in court.

Another option that isn't much better is releasing them overseas. The Pentagon's recent report found that 61 released detainees from Guantanamo have returned to the battlefield to attack and kill our soldiers and other innocent civilians.

Additionally, we read in the newspapers today that the President will be issuing an Executive Order to implement the Army field manual. This will apply to all agencies unless, of course, the President issues another Executive Order on enhanced techniques that certain agencies could use.

If confirmed as the DNI, you will be the intelligence community's voice on these important matters, so I hope we can have a vigorous and candid discussion today and that you will share your ideas on possible solutions to these concerns.

I also have some concerns based on the testimony of the Attorney General nominee last week and my conversation with him in my office yesterday. He was asked whether he would honor the certifications filed by the former Attorney General that would allow dismissal of lawsuits against communication providers who assisted with the President's terrorist surveillance program. Regrettably, instead of a yes or no, and he said he would not revoke it unless circumstances changed.

I find it troubling that he hasn't really explained what he means by that and the circumstances have already occurred; there is no change to be had.

Ensuring that the IC has the cooperation of third parties is essential to intelligence collection. If the lawsuits are not dismissed, we jeopardize future cooperation. Now the FISA Act received 70 votes in the Senate, a strong majority in the House, and the constitutionality of its predecessor, the Protect America Act, was just reaffirmed by the FISA appellate court, which is the Court of review, so the legislative and judicial bodies have spoken on this matter.

I will be interested in hearing your thoughts on whether these patriotic companies should be protected from frivolous lawsuits and what your recommendation to the new Attorney General would be.

Finally, I have some concerns raised by the Inspector General's report finding that you violated conflict of interest standards, and we will have questions about that in the hearing.

At this point, I look forward to entering into a discussion with you and this Committee. Madam Chair, the intelligence community cannot afford to be without a strong commander. I hope this Committee can act on the nomination quickly and get it to the floor for a positive vote.

Admiral, I look forward to hearing your views on the direction of the DNI and your efforts to keep our nation and families safe from attack. You have a long and distinguished service career for this nation. I congratulate you on your nomination. I thank you for being willing to take on the headache, and we look forward to hearing from you.

Thank you, Madam Chair.

Chairman FEINSTEIN. Thank you very much. Vice Chairman Bond.

Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Madam Chair. I congratulate you from the bottom of my heart for your ascendancy to the Chair. It's a remarkable position. You yourself will be in a position to make major changes in the attitudes, the depoliticization and the availability of intelligence to our Committee as a whole, things that we've been fighting for for a long time against great odds. So I congratulate you on taking the gavel and I thank you for giving me the opportunity to speak.

I'm going to speak briefly, I might add. I welcome the Admiral and my distinguished chairperson on many committees, Senator Inouye from Hawaii.

Let me say a few words on why I think this is a very promising time for our intelligence community and for our national security.

We have an opportunity, Admiral Blair, to make a very sharp turn towards new intelligence policies that I believe will bolster our counterterrorism efforts and strengthen our national security in general.

Intelligence must be accurate. It must be accurate. It must be politically neutral. There must be no spin. And it must be collected with methods that enjoy a bipartisan consensus and both be legal and effective.

To ensure this, secret intelligence activities must be subject to rigorous congressional oversight. We've discussed that. I feel very strongly about that. All of us on this Committee have. We have not

come to terms with that in recent years. We're beginning to, and I feel a new day coming with your ascendancy.

We are the only independent reviewers of secret intelligence activities that exists, and we are the only outside check on activities that are not legal or are not effective—the two Intelligence Committees, the House and the Senate. That's all there is. We're the only ones that can do this oversight. So we have to have the information.

Oversight should not be adversarial. It's silly when it is, harmful when it is. It causes distractions from the realities when it is. And it need not be that way. It is a necessary partnership between the Executive Branch and the Congress.

I fought hard to remove politics from intelligence and to restore Congress's vital oversight role since I joined the Committee in 2001. And the Chair and I have done that, together with others. I'm going to keep fighting for it now. I don't want to get into who was at fault for this cycle that we were caught in over the past several years, because that serves no purpose. Instead, I want to look ahead to what is possible now.

I think there's a real chance that in this new year we can have a new start. We can and should debate about how we go about collecting and analyzing intelligence—for example, on interrogation policies—but we can do so without the stain of political considerations. We really can. It's hard with all the media and everybody else trying to pick a fight here and there, but we can do that and we need to do that in the nation's interest, which is all we care about.

Between the Executive and Legislative branches we can and we should engage and debate these policies, but we can do that in partnership. We can do that by being in touch with each other much more often than we are—informally as well as formally—with the knowledge that more information exchanges and deliberations give rise to better intelligence collection and intelligence analysis.

In short, we can recognize that we're all on the same team. It's not sort of been that way. It's against the national interest if it isn't that way.

So, with this in mind, I congratulate Admiral Denny Blair on his nomination to be our Director of National Intelligence. We've had a chance to talk. I spent a lot of time looking back over your history, learning about you, talking. We talked about that. And I found it very, very constructive.

These conversations that we've had give me confidence that you will follow in the footsteps of Mike McConnell as an excellent leader of our intelligence community.

The Director of National Intelligence is one of the most important and demanding jobs in Washington. I tend to say it's one of the two or three most important jobs in the country. That includes the presidency. I put it at that level. You are responsible for protecting this nation under the leadership of the President.

It requires somebody with tremendous leadership and management skills. The next DNI will take this task at a time when we are fighting two wars as well as a fight against a global terrorism

network, the reach of which we do not know even now, not to mention the enormous long-term strategic challenges.

Admiral Blair brings a wealth of valuable experience to the job which I think will be apparent in the hearing today as we ask questions. I congratulate you on your nomination. I congratulate you on your capacity for leadership and decisionmaking. That's one of the things we talked about.

When somebody has been commanding battleships and four-stars and CINCPAC and all the rest of it, you come into a very difficult position because you have been accustomed to making policy and you will be, but you will be doing it under the leadership of the President of the United States and in combination working with us, something which Admirals generally don't have to do, to work with Congressional committees.

But this is the way the Constitution and our forefathers have fated our relationship, and I think it's a very good one and one that I look forward to and one that you look forward to. I know that because we've talked about it.

I ask you to work closely with us to ensure that our nation always has accurate, reliable information, and that it's collected in a way that makes this country proud, and is analyzed without the taint of political influence. We cannot have that any more. We cannot have that.

With that, Madam Chairman, I thank you again, congratulate you again, and wish you well in what will be your very strong leadership of this Committee.

Chairman FEINSTEIN. Thank you very much, Senator Rockefeller.

And now we will go to the distinguished Senator from Hawaii and the new Chairman of the Appropriations Committee, Senator Daniel Inouye, for an introduction.

Welcome, Senator.

**OPENING STATEMENT OF HON. DANIEL K. INOUE, A U.S.
SENATOR FROM HAWAII**

Senator INOUE. Madam Chair and distinguished Members of the Committee, I'm deeply honored and pleased to present to you for your consideration—

Chairman FEINSTEIN. Senator, that microphone, if you could pull it a little bit closer and up. These mics for some reason are lower today.

Senator INOUE. I think it's tapped. [Laughter.]

Senator INOUE. I'm pleased and honored to appear before you to present the President's nominee for Director of National Intelligence, Admiral Dennis Blair.

I've known the Admiral for over ten years. I've come to know him rather well through my work as Chairman of the Defense Appropriations Subcommittee. As one who is deeply involved in Asia-Pacific security issues, and through his service as the Commander of Pacific Forces, he was in command of all forces in the Pacific.

Well, through his experience I quickly learned that Admiral Blair is a man of brilliance and extraordinary intelligence. For example, very few Americans realize this but he is very fluent in Russian, and there are not too many of us in the Congress or in the Senate who can speak anything besides English.

He is a creative thinker. He has a wealth of knowledge of history, global affairs and national security. Having commanded the United States forces in a region that stretches from the west coast of the United States to the western part of India, and from Antarctica to the North Pole, he knows how to manage and integrate a diverse, widespread organization.

That skill I believe will serve him well as the nation's third Director of National Intelligence, overseeing 16 different agencies and organizations that make up our intelligence community. I have no doubt that in Admiral Blair's heart and mind service to our country will always come first.

Admiral Blair has another quality that impresses me very much. He's not afraid to stand up and speak out to his commander if he believes a policy is misguided or if something is being done wrong. That sort of candor and truth-telling many believe is the reason why he was passed over for the chairmanship of the Joint Chiefs by the outgoing Administration. It's painful to bring this up, but I think we should know. The new Administration I believe wants that sort of frankness and critical thinking that Admiral Blair will bring to this job.

Admiral Blair has earned our unhesitating support, and I'm confident that a full and fair consideration of his record will be most impressive to my colleagues.

I thank you very much, Madam Chair.

[The prepared statement of Senator Inouye follows:]

STATEMENT OF HON. DANIEL K. INOUE, A U.S. SENATOR FROM HAWAII

Madame Chair and Members of the Committee, thank you for the opportunity to be here today to recommend a prompt and favorable reporting to the Senate of the nomination of Admiral Blair as Director of National Intelligence.

I have known Admiral Blair for more than 10 years. I have come to know him through my work as Chairman of the Defense Appropriations Subcommittee, as one deeply involved in Asia-Pacific security issues, and through his service as the Commander of the United States Pacific Command, which made him responsible for all U.S. forces in the Asia-Pacific region.

Through that experience, I quickly learned that Admiral Blair is a man of brilliance and intelligence. He speaks Russian fluently. He is a creative thinker. He has a wealth of knowledge of history, global affairs, and national security. He is insightful on a wide range of issues—from how our nation's dependence on imported oil has influenced our security strategy, to how certain parts of the world have been used as a staging ground and transit for terrorism directed at the United States, to military developments in Asia, and much, much more.

Having commanded U.S. forces in a region that stretches from the west coast of the U.S. to the western border of India, and from Antarctica to the North Pole, he knows how to manage and integrate a diverse and widespread organization. That skill, I believe, will serve him well as our nation's third Director of National Intelligence, overseeing 16 different agencies and organizations that make up our intelligence community.

I have no doubt that in Admiral Blair's heart and mind, service to our country will always come first.

Admiral Blair also has another quality that impresses me very much. He is not afraid to stand up and speak out to his commander if he believes a policy is misguided or if something is being done wrong. That sort of candor and truth-telling, many believe, is the reason why he was passed over for the chairmanship of the Joint Chiefs by the outgoing Administration. The new administration, I believe, wants that sort of frankness and critical thinking that Admiral Blair will bring to his job.

Admiral Blair has earned my unhesitating support, and I am confident that a full and fair consideration of his record will impress my colleagues.

Chairman FEINSTEIN. Thank you very much, Senator Inouye.

And now, Admiral, we will turn to you.

STATEMENT OF ADMIRAL DENNIS C. BLAIR, U.S. NAVY, RETIRED, DIRECTOR OF NATIONAL INTELLIGENCE-DESIGNATE

Admiral BLAIR. Thank you very much, Madam Chairman, Mr. Vice Chairman, Members of the Committee.

It is an honor to appear before you today and, if confirmed, I will seek your counsel and your advice and seek it frequently.

Nothing is more important to national security and the making and the conduct of good security policies than timely, accurate, objective and relevant intelligence. President Obama has made it clear to me and made it clear to the American people that he expects independent analysis. He wants the facts, he wants all points of view. And, if confirmed, I will strive to meet his expectations.

The United States right now is engaged in three campaigns with immediate threats to American lives and interests—the global struggle against anti-American terrorists who have global reach, the campaign in Iraq, the campaign in Afghanistan. And these three campaigns right now absorb the bulk of our intelligence resources. We have to provide intelligence at all levels to prosecute those campaigns successfully.

But there are many additional near-term issues that are of concern to us. They include North Korea, Iran, peace and progress in South Asia, and of course the Israeli-Palestinian violence which flared up recently. The intelligence community also needs to address long-term challenges—the growing power and influence of China, India and other developing countries, as well as both threats and opportunities that come with failing states.

But threats to America's national security go well beyond the nation state-based threats of the past. In addition to anti-American terrorists with global reach, there are weapons proliferators, drug traffickers, cyber attackers, all of whom don't recognize borders and pose threats to us. We also cannot lose sight of the new issues that may pose grave dangers, such as global warming, energy supplies, food prices, pandemic diseases.

I also believe it's important to identify opportunities as well as threats, and this is an extremely important dimension to the work of intelligence agencies. For example, the United States must hunt down those fanatic Muslim terrorists who are seeking to do us harm. At the same time, the intelligence community also needs to support policymakers who are trying to engage and work with influential Muslim leaders who believe and who are working for a progressive and peaceful future for their religion and for their nations.

The 2004 Intelligence Reform and Terrorist Prevention Act spells out the responsibilities of the DNI, as I have been reminded. If confirmed, I will work to carry out the intent of that legislation. The DNI must keep the intelligence community on the cutting edge of innovation. Developing a high quality work force is also the DNI's responsibility. We should give intelligence professionals the right missions, clear away obstacles that keep them from doing the job, and then have the privilege and the pleasure of watching them produce amazing results.

All officers of the intelligence community, especially the most senior officers, must conduct themselves in a manner that earns and retains the public's trust. I strongly believe in transparency and accountability in the missions whose work must necessarily take place largely out of public view.

Before closing these brief remarks, let me make a few points and make them clearly. I do not and I will not support any surveillance activities that circumvent established processes for their lawful authorization. I believe in the importance of review and regulation. I believe in the importance of independent monitoring, including that of this Committee and the Congress, to prevent abuses and to protect the privacy and civil liberties of Americans.

Torture is not moral, not legal, not effective. The U.S. government will have a clear and consistent standard for treatment of detainees. The Guantanamo detention center will be closed. It's become a damaging symbol.

Madam Chairman, Mr. Vice Chairman, members of the Committee, if confirmed I will work closely with you and with the Congress. The leadership of the intelligence community must earn the support and trust of this Committee if it is to earn the support and trust of the American people.

When now-President Obama first called me about this job, I wasn't expecting it. But in those weeks since I've had a chance to talk with you. I've had a chance to think about the job. I have had a chance to learn about the job. And it seems to me that much of my background, experience and ambitions point me towards that job, and I would very much like it and I would like to be confirmed for that job. I think we have extremely important work to do together, and I hope that I can be confirmed in order to undertake that work.

Thank you very much.

[The prepared statement of Admiral Blair follows:]

STATEMENT OF DENNIS C. BLAIR

Madam Chairman, Mr. Vice Chairman, Members of the Committee: It is a distinct honor and privilege to appear before you today. I am also honored that President Obama has placed his trust and confidence in me, deciding to nominate me to the position of Director of National Intelligence.

I want to express deep appreciation and thanks to Chairman Feinstein, and to Vice Chairman Bond, for holding today's hearing, and I look forward to your questions. In addition, let me say from the outset, if confirmed, I look forward very much to working with you on the many important issues before the Intelligence Community, and before the Nation. This Committee has a wealth of experience and wisdom. If confirmed, I will seek your counsel and advice—and seek it frequently—in addressing the many challenges ahead.

IMPORTANCE OF INTELLIGENCE

Nothing is more important to national security and the making and conduct of good policy than timely, accurate, and relevant intelligence.

Nothing is more critical to accurate and relevant intelligence than independent analysis.

The President has made clear to me, and to the American people, that he wants to hear the facts, he expects independent analysis, and he wants to hear all points of view.

As John Adams famously said, "Facts are stubborn things." The best national security decisions take account of the facts on the ground. Sometimes those facts are unpleasant; sometimes they are inconvenient; often they are ambiguous. Whatever they are, they must be presented accurately and fully. Beyond the facts on the ground, interpretations of their significance differ. There is an obligation to bring

those differing views forward. There is an obligation to speak truth to power. If confirmed, I will fulfill that obligation personally, and I will instill respect for that obligation in those who work for me.

THREATS AND OPPORTUNITIES

Let me describe some of the key challenges the intelligence services face in supporting policymakers as well as troops, diplomats, and law enforcement officials in the field.

The Intelligence Community is charged with the task of assessing threats and providing timely warning. This Committee holds an annual worldwide threat assessment hearing. If I am confirmed, it will be my privilege to appear before you on that topic.

The United States is engaged in three campaigns in which there are immediate threats to American lives, properties and interests. First is the campaign against anti-American terrorists with global reach who seek to harm us or our allies, partners and friends. These groups include al-Qaeda and other extremist organizations as well as the groups they inspire but do not control. The second campaign is in Iraq and the third in Afghanistan, where the United States has deployed troops, diplomats, and nation builders. Providing intelligence support for these three campaigns consumes the largest share of Intelligence Community resources.

The day-to-day demands for tactical intelligence for these missions, geographically concentrated in Southwest Asia, cannot be allowed to crowd out the mission of building a deeper understanding of the complicated interlocking dynamics of the entire region, from Kashmir to Istanbul. We will need that understanding as we forge a strategy for the region.

Additional near-term issues of concern are many. They include North Korea's nuclear weapons and missile programs; Iran's nuclear capabilities and intentions, as well as its missile program; the security of Pakistan's nuclear arsenal; and peace and stability in South Asia. They include Israeli-Palestinian violence, with its possibilities for escalation and implications for regional stability.

Many important threats to American national security go well beyond the traditional nation-state-based threats of the past. The intelligence services need to have open minds, change traditional ways of thinking and be bold and creative in identifying possible threats to the nation. It is the responsibility of the intelligence services to penetrate and understand these new transnational threats just as thoroughly as we did the Soviet Union in the days of the Cold War.

In addition to anti-American terrorists with global reach, our adversaries include organizations—some nation states, some private and some criminal—that proliferate weapons of mass destruction and the means to deliver them.

They include organizations trafficking in drugs.

They include those using the global communications system to learn our secrets and proprietary information to compete with us or attack us.

There are additional trends that affect American security, and may pose grave dangers—global warming, energy supplies, food prices, and pandemic diseases, among others.

Today's threats to American interests are more diffuse, more fast-paced, and seem more urgent than ever because of the trends of globalization—worldwide transportation, worldwide information systems, the spread of scientific and technical knowledge, an interlocking global economy, and the ubiquitous and incessant news cycle. The intelligence agencies must look beneath the breathless headlines to understand the facts and their significance for American interests.

The Intelligence Community also needs to address the longer-term geopolitical challenges. How the United States adjusts to and manages the growing power and influence of China, India, and key countries in the developing world is a major long-term challenge for policymakers. The Industrial Revolution caused a centuries-long shift in power to the West; globalization is now shifting the balance again. The Global Trends 2025 report is one example of the Intelligence Community's contribution to this discussion.

Failing states pose another set of challenges. Countries without effective governments, with internal economic disparities, and with domestic religious, ethnic, or tribal tensions can slip into anarchy, with tragic consequences for their own citizens, and with potential dangers to other countries. Somalia is one example, among many.

The Intelligence Community has global responsibilities. We need to understand better the interplay of trends, threats, and opportunities in Latin America and Africa, so that our leaders can forge wise policies and take effective actions as the importance of these regions increases.

Identifying opportunities as well as threats is an extremely important balance for intelligence agencies to strike.

- While the United States must hunt down those terrorists who are seeking to do us harm, the Intelligence Community also needs to support policymakers who are looking for opportunities to engage and work with Arab and Muslim leaders who are striving for a progressive and peaceful future for their religion and their countries;
- While the United States must understand China's military buildup—its extent, its technological sophistication and its vulnerabilities—in order to offset it, the Intelligence Community also needs to support policymakers who are looking for opportunities to work with Chinese leaders who believe that Asia is big enough for both of us and can be an Asia in which both countries can benefit as well as contribute to the common good;
- While the United States needs to understand Russia's military plans and ambitions in what it calls its "near abroad," the Intelligence Community also needs to help policymakers understand the dynamics of European security issues including the actions of our allies and friends, in order to craft policies that will support American objectives.
- While the United States must identify weak places in worldwide medical surveillance systems and prepare for pandemics, the Intelligence Community can also find opportunities to work with governments and other organizations on behalf of our common interest in strengthening the world's early warning, defensive and recovery systems;
- While policymakers need to understand anti-American leaders, policies and actions in Iran, the Intelligence Community can also help policymakers identify and understand other leaders and political forces, so that it is possible to work toward a future in both our interests;
- While traditional friends of the United States disagree with individual American policies on specific countries and issues, the Intelligence Community can also help policymakers identify the many government leaders and influential private leaders—in Europe, in Asia and elsewhere—who share American ambitions for the future and are willing to work together for the common good.

Identifying these opportunities for American policy and statecraft is as important as predicting hostile threats.

There is a final cluster of subjects on which intelligence agencies must provide good advice to policymakers and officials taking action:

- Science and technology developments—where is innovation taking place around the world, and how can it help or hurt American interests?
- Economics and finance—how is power being redistributed, and what are the developments that will make a difference to the United States?

For these areas, and also for many of the others outlined here, the analysts and information in our intelligence agencies are not the sole, and often not the best, resources. Private organizations—businesses as well as consultants—think tanks, NGOs, universities, national labs, federally funded research and development centers, other government analysts, and similar international and foreign centers have a great deal to offer.

It is the responsibility of the Director of National Intelligence to take advantage of outside information sources—databases and experts—and to add the insights gained from secret intelligence to present policymakers the clearest possible picture of the nature of these trends, and the potential effects that alternative American policies can have on them.

THE ROLE AND RESPONSIBILITIES OF THE DNI

The office of the DNI is not yet four years old. Ambassador Negroponte and Admiral McConnell have made important progress during that period of time. A wider range of analysis, and more points of view, are now brought to the attention of policymakers. Information sharing on terrorism-related information has improved. Joint Duty in the Intelligence Community, essential for building a unified workforce, is starting to take hold. Security clearances take less time. These are important contributions, and they should be recognized. At the same time, the Committee knows that much work lies ahead. For my part, I want to acknowledge the contributions that those who lead the Intelligence Community already have made.

The 2004 Intelligence Reform and Terrorism Prevention Act spells out the role and responsibilities of the DNI. The Act specifies many important improvements in the organization and functioning of the country's intelligence services. My approach

is a straightforward one. If confirmed, I will work to fulfill the intent of this legislation.

The DNI is the principal adviser to the President, to the National Security Council, and the Homeland Security Council for intelligence matters related to the national security. His responsibility is to provide timely, accurate and relevant intelligence.

Leading the Intelligence Community, the DNI needs to satisfy the strategic intelligence requirements of policymakers as well as the tactical requirements of military units, diplomats, and front-line officers of the Department of Homeland Security and state and local law officials. The DNI needs to lead the integration of intelligence sources—human, signals, geospatial, measurement and signature, and open source. Such integration mutually empowers, and maximizes, the contribution of each intelligence source. The DNI needs to ensure that the whole of the national intelligence enterprise is always more than the sum of its parts. I believe the hardworking, smart, and dedicated officials of the intelligence agencies, along with the resources the Congress has provided, are adequate to provide the right kind and amount of intelligence support to all who need it from the President down to the soldier in the field.

The DNI should place the emphasis on managing others, not doing their work himself. The DNI should hold agencies accountable for doing their jobs, but should not replicate activities that individual agencies perform well. The DNI should concentrate on activities that no single agency can perform by itself, and use his authority to encourage and enforce combined action that brings together the strengths of all the intelligence services to accomplish the common missions.

The DNI must keep the Intelligence Community at the cutting edge of innovation. The business of intelligence has been radically transformed, and continues to be driven, by the information revolution. In a generation's time, the Intelligence Community has gone from an organization hunting secrets, to an organization interpreting the vast ocean of information available every day—even as it still hunts secrets. How the Community collects, analyzes and provides added value to policymakers and operators is profoundly affected by this changing and dynamic information environment.

Developing a high-quality workforce for the future is the DNI's responsibility. Any organization is only as good as its people. I have been deeply impressed over many years with the many smart, dedicated and brave professionals in the Intelligence Community workforce. It is the DNI's responsibility to give them the right missions, to clear away obstacles in their path, and then it is the DNI's privilege and pleasure to watch them produce amazing results. It has been an honor to work with them, and, if I am confirmed, it will be an honor to lead them.

THE ROLE OF INTELLIGENCE IN A DEMOCRACY

All officers of the Intelligence Community, and especially its most senior officer, must conduct themselves in a manner that earns and retains the public trust. The American people are uncomfortable with government activities that do not take place in the open, subject to public scrutiny and review.

Unlike many other parts of the government, the activities of intelligence officers must often be secret to be effective. Therefore, there is a special obligation for the leadership of the Intelligence Community to communicate frequently and candidly with the oversight committees, and as much as possible with the American people. There is a need for transparency and accountability in a mission where most work necessarily remains hidden from public view.

The first part of building trust is building relationships. I want to establish a relationship of candor and trust with each Member of this Committee and, if confirmed, work to sustain and enhance that trust. Equally important, I will work to rebuild a relationship of trust with the American people.

The second part of building trust is to carry out the mission of the Intelligence Community in a manner consistent with our Nation's values, consistent with our Constitution and consistent with the rule of law. The intelligence agencies of the United States must respect the privacy and civil liberties of the American people, and they must adhere to the rule of law.

LAWFUL SURVEILLANCE, LAWFUL DETENTION AND INTERROGATION

In a dangerous world, government agencies need authority to collect intelligence on terrorists before they strike, in order to protect the American people. But in a free society, that authority cannot be unlimited. It must be exercised pursuant to law.

I do not and will not support any surveillance activities that circumvent established processes for their lawful authorization. I believe in the importance of review and regulation of the use of those surveillance authorities. I believe in the importance of independent monitoring, including by the Congress, to prevent abuses and protect civil liberties.

I believe strongly that torture is not moral, legal, or effective. Any program of detention and interrogation must comply with the Geneva Conventions, the Conventions on Torture, and the Constitution. There must be clear standards for humane treatment that apply to all agencies of U.S. Government, including the Intelligence Community.

I believe the U.S. Government must have clear and consistent standards for treatment of detainees. Those standards must comply with the Detainee Treatment Act, the Convention Against Torture, and Common Article 3 of the Geneva Conventions. All who are responsible for treatment of detainees must receive training on those standards, and training must be reinforced regularly. It is not enough to set a standard and announce it. Regular reinforcement and oversight is necessary to make sure the standards are being applied correctly.

I agree with the President that the detention center at Guantanamo has become a damaging symbol to the world and that it must be closed. It is a rallying cry for terrorist recruitment and harmful to our national security, so closing it is important for our national security. The guiding principles for closing the center should be protecting our national security, respecting the Geneva Conventions and the rule of law, and respecting the existing institutions of justice in this country. I also believe we should revitalize efforts to transfer detainees to their countries of origin or other countries whenever that would be consistent with these principles. Closing this center and satisfying these principles will take time, and is the work of many departments and agencies.

CONCLUSION

Madam Chairman, Vice Chairman, and Members of the Committee: If confirmed, I will work closely with this Committee and with the Congress. The leadership of the Intelligence Community must earn and sustain the confidence and support of this Committee if it is to win the confidence and support of the American people. A close dialogue and relationship with the Congress is what our Constitution and laws require, and what is practical and necessary. Your wisdom, sustained interest, and sustained engagement enhance our Nation's intelligence capabilities.

I look forward to your questions.

Chairman FEINSTEIN. Thank you very much. We will now proceed to activate the time clocks and go to five-minute rounds. My understanding is there is going to be a vote, probably within the half hour, and we will try to keep the hearing going. I will go vote immediately and you will preside, if you will, Mr. Vice Chairman, and then the reverse will take place.

I'd like to just read the early bird list quickly. After myself and the Vice Chairman, it is Senators Coburn, Wyden, Levin, Rockefeller, Chambliss, Feingold, Risch, Whitehouse, Hatch, Bayh, Snowe. That will be the order.

I'd like to say that, Senator Inouye, I know you have a busy day, with much coming up next week, so if you'd like to be excused—we'd love to have you here, but if you would like to be excused, that would be just fine.

Senator INOUE. Thank you very much.

Chairman FEINSTEIN. Thank you very much.

I'd like to announce that written questions and answers that the Admiral has responded to will appear on the web site of the Committee. So for those that would like to read the written questions and his answers to them, they are available.

Admiral Blair, before we begin the individual questions, there are questions that we traditionally ask, and a yes or no answer will suffice. I'll go quickly.

Do you agree to appear before the Committee here or in other venues, when invited?

Admiral BLAIR. Yes.

Chairman FEINSTEIN. Do you agree to send officials from the Office of the Director of National Intelligence and elsewhere in the intelligence community to appear before the Committee and designated staff, when requested?

Admiral BLAIR. Yes.

Chairman FEINSTEIN. Do you agree to provide documents or any other materials requested by the Committee in order for it to carry out its oversight and legislative responsibilities?

Admiral BLAIR. Yes.

Chairman FEINSTEIN. Will you ensure that the Office of the Director of National Intelligence and elsewhere in the intelligence community provide such material to the Committee, when requested?

Admiral BLAIR. Yes.

Chairman FEINSTEIN. And a new question that I hope will become part of the tradition. Do you agree to inform and fully brief to the fullest extent possible all members of the Committee of intelligence activities and covert actions rather than only the Chairman and Vice Chairman?

Admiral BLAIR. Yes.

Chairman FEINSTEIN. Thank you very much.

I would like to take on something that's going to come up. Both Senator Rockefeller and I have read the Inspector General's report concerning—and I have talked with you informally, and I think we should put it on the record. When you were president of the Institute for Defense Analyses, you were involved in two reports on the F-22 program of the United States Air Force.

On November 30, 2006, the IG for the Department of Defense concluded that a report found that Admiral Blair violated IDA's conflict of interest standards because he failed to disqualify himself from all matters related to IDA's work concerning the F-22 program. However, they also found that you did not in any way utilize any action. And, of course, you were on the board at the time of two corporations, EDO and Tyco Limited, and serving as a member of the board of directors.

The IG found that your failure to disqualify yourself had no impact on IDA's consideration of the F-22.

Now you provided responses in your prehearing questions on this matter, but please explain for the record and for the Committee why you did not recuse yourself, how you view that decision in retrospect, and how you would intend to handle potential future conflicts in the future.

Admiral BLAIR. Madam Chairman, it was a mistake not to have recused myself from those two studies when I was president of IDA. I thought a great deal about the incident since, and the greatest damage was the damage to my own reputation for integrity caused by that decision and, of course, the reputation of the Institute for Defense Analyses that was done. I should have recused myself, and I didn't.

As you pointed out, as the Inspector General report said, I did not in fact try to influence the study, nor did I do so.

There were not good procedures for the president of IDA to review and recuse himself when appropriate. I instituted those procedures before I left.

I think the lesson of it is that you can be absolutely sure that, if confirmed, I will not take any action that can remotely cause that kind of a situation to happen again. I will comply fully, in consultation with my counsel, with all regulations to ensure that any decisions that I make as DNI will be completely free of any suspicion that there is untoward influence.

Chairman FEINSTEIN. Thank you very much.

Quickly, in response to the prehearing questions, you stressed the role of DNI as integrating the activities across the intelligence community and making the agencies work better together. Of course that's fine. But, as the Vice Chairman stated and I think virtually all of us agree, the DNI needs to be a very strong leader—someone who will take action to force agencies to achieve their missions, step in when things aren't going well, and really be an agent for change. In what ways are you prepared to go beyond integration and coordination to get the results that are necessary?

Admiral BLAIR. I think the goal is quite clear, Madam Chairman. The intelligence community needs to be greater than the sum of its parts, not less than the sum of its parts. I think that a large part of what's required to do that is to get the rewards and the penalties lined up with the mission of the organization, all the way down the line from the very heads of the organization down to individual reports writers, analysts and other officers.

And if we can build those structural procedures that incentivize people taking initiative, working across the agencies, and penalize those who retreat into their stovepipes and make behavior which may make sense from their small perspective but hurts the agency, we will go a long way to doing that.

That can only take you to a certain extent, and there are times, as your question implies, that the Director of National Intelligence simply has to step in and say this is the way it's going to be because this is the right thing for the community.

I'm extremely encouraged because of the team that is now in place among the different agencies. Not only has Mr. Panetta been nominated to be Director of the Central Intelligence Agency, a key job—and he's got the savvy and he's a pro and we've talked about these issues and we see them the same way. I think you will find that when you talk to him next week. We have General Alexander at the National Security Agency, General Ron Burgess going to the Defense Intelligence Agency, Admiral Bob Murrett running the National Geospatial-Intelligence Agency.

I've worked with many of these officers in the past. They are team players. They understand that we all have to work together in order to do the nation's business.

So I think the combination of this team attitude at the top, getting the incentives down through the structure, and then making the tough calls that benefit the nation, not to the benefit of an individual agency, are the keys to having the best intelligence for the President and everyone.

Chairman FEINSTEIN. Thank you, Admiral. My time is up.
The Vice Chairman.

Vice Chairman BOND. Thank you, Madam Chair.

As the Chair and I have said, we want to work on a bipartisan basis, and I believe you made a commitment to work with both Republican and Democratic Members of this Committee and their staffs. I believe that's correct, is it not, sir?

Admiral BLAIR. Yes, sir.

Vice Chairman BOND. In addition, there's another matter that's very important to me and to the Chair and to Senator Mikulski. We're also members of the Senate Appropriations Defense Subcommittee. There have been occasions when we have been briefed on a matter but our intelligence committee is shut out.

The excuse is always the same. It's a Title 10 issue, not a Title 50 issue. Now I understand there may be different operational requirements between defense and intelligence, but in areas where there is considerable overlap we need greater access to information on both sides of the fence. Our staff, with appropriate clearances and expertise in these matters, sit on this Committee, not on SAC/D.

The Committee has almost 50 staff members with expertise in almost every area of intelligence. The SAC/D has very, very few, often consumed with other matters as they juggle a portfolio more than ten times the size of ours. Thus we have broader Committee staff.

I recently delivered a message to one 4-star general. If we kept getting stonewalled by DOD in matters where we can be briefed but our staffs will not because of the Committee jurisdiction, then I personally will not vote for appropriations for the program. And I will share my views with the Chair and Senator Mikulski.

If you're confirmed as the DNI, will you work with the Secretary of Defense to ensure that the intelligence committees are fully briefed on matters that pertain to this committee's oversight, to include areas that straddle Title 50 and Title 10?

Admiral BLAIR. Senator, I happen to have some familiarity with that issue, although it's somewhat dated. When I was Associate Director of Central Intelligence for Military Support, I stood on that seam between the armed forces and intelligence community, with the job of making that seam work for the country and not having issues fall between it so we were badly served in many areas.

My experience from that time is I really think we need a Title 60. I think we need to get rid of this artificial division in this global campaign against terrorists, when the tools that are available in the Department of Defense and the intelligence agencies are both applicable and both need to be put together to get the job done. I find that operational effectiveness is in fact distorted by the way the authorities, which were written for different era, come down.

So I think very much we need to fix that problem. But I think that in the meantime, given what we have, we should not use different titles as a shell game to try to keep information from the Congress, who has the oversight responsibility and the funding responsibility for these programs.

And I can undertake to you that I will make sure that we don't use a different title to hide something, so that people who have knowledge and responsibility and oversight responsibility to carry out are not kept in the dark.

Vice Chairman BOND. I sincerely thank you, heartily congratulate you, and I will explain to you in a different situation what we're talking about.

You said that you believe that surveillance must only be done with lawful authorization. Do you believe that the President has the authority under Article II of the Constitution to conduct an authorized intelligence collection?

Admiral BLAIR. That the President has the authority?

Vice Chairman BOND. That the President has authority in Article II.

Admiral BLAIR. Yes, sir.

Vice Chairman BOND. So he can authorize collection. Here's the question. It's a basic question that has been resolved by the FISA court and others. There is disagreement on it, but I used to be a lawyer and I studied constitutional law. When the President has constitutional authority, Congress cannot eliminate it. And there are some people who think they can.

I believe that it is an essential part of his ability to conduct foreign policy and we'd be happy to talk to you about it more.

Madam Chair, my time has expired. I will pass to the next.

Chairman FEINSTEIN. Thank you very much. Senator Coburn, you are next. Senator Coburn is not here. Senator Wyden, you're next.

Senator WYDEN. Thank you, Madam Chairman.

Admiral Blair, I very much enjoyed our meeting, and I want to get into a question you and I discussed in my office. There's this great debate about the role of the DNI and is it big enough and its authority. To me it's not whether it's a big office or a small office. It's whether there's an accountable office, because whenever there's a concern people come to the table and we have six people essentially looking at each other and you don't get a sense that there is adequate accountability.

So I want to ask you this question and I'd like you to start with a yes or no answer before you get into the context. Do you believe that the position of Director of National Intelligence currently comes with the authority and the resources so that you can be held accountable?

Admiral BLAIR. I think it's an incomplete authority, Senator Wyden.

Senator WYDEN. So I will interpret that as a "no," because if you had sufficient authority you would say yes.

Why, in your view, is it an incomplete authority, an insufficient authority to be held with respect to the Director being held accountable?

Admiral BLAIR. Senator, it says right in the first paragraph of the Intelligence Reform and Terrorism Prevention Act that the Director of National Intelligence is the leader of the intelligence community. So when you're looking for one throat to choke, this is the one you should come to, and I accept that responsibility. I'm the leader, I'm responsible for what goes on there.

But, as you know, the intelligence business is inherently enmeshed with many other departments of government—defense primarily, but also many others—and intelligence, of course, is a support function for policy; it is not a policymaker.

So the reason I talk about the incomplete authority is because this new law that was established in 2004 is a work in progress. I'm only the third director. And as we work through unprecedented situations I think we will find areas in which we have to do some clarifying. But as a general principle I certainly accept responsibility for intelligence and I will act, if confirmed, in that manner.

Senator WYDEN. I appreciate you stepping up, but the point is the authority, in your view, you said it's incomplete. You said it needs to be clarified. And we're going to have to stay up with it until your position is one where you can be held accountable.

The second area I need to talk to you about is human rights, where we also talked. This is obviously a critical component of our foreign policy, an essential element of America's claim to moral leadership. I think it's important that you clear up for the public record your response to the murder of thousands of innocent people in East Timor.

These killings were committed by paramilitary groups supported by the Indonesian military. Some observers have alleged that our government turned a blind eye to the slaughter. You at that time were the head of the Pacific Command during the time of these murders.

So right after August of 1999, when the people of East Timor declared their independence, there was a period of nonstop violence. Please describe for the record specifically your interactions with the Indonesian government during that period—that period right after independence—and what specifically you did to end the slaughter of what eventually became 200,000 people.

Admiral BLAIR. Senator, I'm very happy to have a forum like this and a chance to talk about those allegations, because they came up after I left active duty in 2002.

I want to say at the outset that those accusations, which I've read, are flat wrong. At the time that we're talking about, the objective of the United States government was to ensure that East Timor gained its freedom. That was the best thing that we could do for the human rights and the future of the East Timorese, and that was the focus of our policy.

I and many other leaders of government carried out the American government's policy at that time in our conversations with leaders of Indonesia, both military and civilian. We decried and said that the torture and killing that was being conducted by paramilitary groups and some military groups in East Timor had to stop, and unless it stopped there would be heavier penalties paid by Indonesia, but if it did stop then the relationship between the United States and Indonesia could get better. That was my consistent message in several meetings and many phone calls with Indonesian leaders.

All of those meetings and all of those phone calls were attended by our ambassador in the country. They were the subject of reporting cables, and they were consistent with the government policy. So those who say that I was somehow carrying out my own policy or saying things that were not in accordance with American policy are just flat wrong. And East Timor is now free and I think it was a successful policy and I'm proud of it.

Senator WYDEN. Madam Chair, my time has expired.

Two points. First, I would like to see those cables that attest to the various communications you had. Then, Madam Chair, depending on how many rounds we have, Congresswoman Eshoo raises a very important issue. She is, of course, a senior member of the other body and I would like to talk with Admiral Blair about that.

Chairman FEINSTEIN. Thank you, Senator Wyden.

Senator Levin, you're up next.

Senator LEVIN. Thank you, Madam Chairman.

Chairman FEINSTEIN. And then if Senator Rockefeller can't get back from a vote in the Finance Committee, Senator Chambliss—and he's not here—Senator Feingold is next, Senator Risch is next, and Whitehouse after that.

Senator LEVIN. Admiral, first I want to talk about statements that you've made about the necessity of speaking truth to power and telling the policymakers what your judgment or assessment is of the facts, even though they may not want to hear those facts. George Tenet wrote a book and acknowledged that in fact he had failed to tell the policymakers in the Bush Administration that what they were saying publicly was wrong. He acknowledged he had an obligation to do a better job—quoting his book now—“of making sure that they knew where we differed and why I should have told the Vice President that his VFW speech had gone too far.”

Are you committed to speak truth to power? Are you committed that when your factual assessments or intelligence assessments say one thing, if public officials say another thing and don't delineate between their own personal views and what the intelligence community has informed them that you will speak to them about that?

Admiral BLAIR. Yes, sir, I think that's the only way to proceed.

Senator LEVIN. You made a statement in your answers for the record about interrogation and the damage which has been done by excessive abusive or abusive interrogation, not excessive but abusive interrogation techniques, and the President is going to sign an order today, apparently today, which will prohibit the intelligence community from using and the CIA from using coercive interrogation methods, requiring the agency to follow the same rules used by the military in interrogating terrorism suspects. You're all going to be under the same rules—the intelligence community and the Defense Department, everybody, the FBI, everybody's under the same interrogation rules and the Army manual is going to be key to that.

Do you agree with that decision of the President?

Admiral BLAIR. Senator, the Executive Order which will be released here soon provides that there will be a review of the Army field manual as the basis for interrogation by the military and intelligence services. Interrogations done under the criminal prosecution responsibilities of the FBI are different and will not be affected.

Senator LEVIN. Forget that reference. But in terms of the intelligence community and the DOD, you're going to be governed by the same rules. They will be uniform when it comes to interrogation of detainees. Is that correct?

Admiral BLAIR. Yes sir, and it will not be called the Army field manual any more. It will be called the Manual for Government In-

terrogations. I think this review is very important and I'm very aware that Senator Bond, for example, made a strong point that I agree with, that the Army field manual should not become the training manual for resistance training for adversaries. So we need to be very careful about how we do this, but we need to get it right.

Senator LEVIN. Do you believe they should be uniform?

Admiral BLAIR. I believe they should be uniform.

Senator LEVIN. Now let me talk to you about the use of aggressive techniques and the harm that that can do to our country. You made a reference in your statement and answers for the record about the necessity to close Guantanamo because it's a rallying cry for terrorists and harmful to our international reputation, so closing it is important for our national security.

Do you believe that is also true, when it comes to interrogation methods on detainees, that how we deal with detainees, the methods that we use in interrogation are important methods, and that if we use abusive methods and our reputation internationally suffers that that has a negative impact on our national security?

Admiral BLAIR. Yes, sir. The President said it so eloquently at his inauguration—"we reject the false choice between our safety and our ideals." I think we can do both.

Senator LEVIN. My final question is that some people say that the use of aggressive, abusive techniques can save lives. Is it not also true, Admiral, that inhumane or abusive tactics can cost us lives in the following ways.

Number one, some prisoners that are subjected to abusive treatment will simply tell us what they think we want to hear, whether true or not, in order to end the use of those abusive techniques against them, so that it can produce false information to use abusive techniques;

Secondly, that abusing prisoners can also strengthen their resolve to resist and deceive because they expect us to torture them and we confirm their worst expectations, so with some prisoners, abusing them strengthens their resolve to resist;

Thirdly, that mistreatment of prisoners in U.S. custody provides an excuse for other nations to abuse our captured servicemen and women;

Fourth, that gaining a reputation as a nation that engages in abusive tactics weakens us strategically in terms of prestige and leadership, which works against our interests and costs us allies in common causes to work together in common causes;

And that, finally, abusing detainees can deprive us of the ability to prosecute a terrorist or an alleged terrorist, as shown by Judge Crawford's conclusions in the al-Khatani case.

Would you agree that, in other words, the use of abusive techniques can cost us and harm our security in those ways?

Admiral BLAIR. I agree with points four and five based on what I know right now, Senator Levin—that it causes us great damage. One, two, three and six are what we have to look into in this review that's going on. But the dangers that you cited I'm sure have a validity and we need to look at the entire basis of them.

Senator LEVIN. Will you get back to the Committee after you've had that review and answer those questions?

Admiral BLAIR. Yes, sir.

Chairman FEINSTEIN. Thank you, Senator Levin.

Senator Rockefeller is next. He is not here at this time because he's in Finance. Senator Chambliss is next. He is not here. Senator Feingold, Senator Risch.

Senator RISCH. Senator Risch will pass. Thank you, Madam Chair.

Chairman FEINSTEIN. Senator Whitehouse, I know you will not pass.

Senator WHITEHOUSE. Never been known to.

Thank you, Madam Chair. I join my colleagues in congratulating you on becoming the Chairman of this Committee. In the time that we spent together—and I've been on the Committee now for two years—we've seen your intense devotion and dedication to this, and I think we're all very confident in your leadership, as we were in Senator Rockefeller's.

A couple of quick questions, Admiral. First of all, both thank you and congratulations, and to your wife in particular thank you, because I think she's going to find she sees a lot less of you in the coming months and years than she's become accustomed to, though I think given your background she's probably gotten used to that. It's been done before.

You talked earlier about conflict of interest. I would like to suggest to you that there may be areas within the intelligence community where the discrepancy in pay between contractors and career folks and the complexity of the underlying task may have created a situation in which the contractors know so much more about the program than the career officers that the tipping point has been reached where it's really now controlled by those contractors and to a significant degree could well be controlled by them for their own financial benefit rather than for real national security purposes.

I think if we're going to solve that problem it requires a resurgence of the career infrastructure so that the weight of knowledge, the weight of authority, the weight of expectations remains in public hands and doesn't become part of President Eisenhower's military-industrial complex, with all the weight on the industrial side.

Is that something you're willing to look into as you take these responsibilities?

Admiral BLAIR. Absolutely, Senator Whitehouse. The Institute for Defense Analyses that I was President of was a federally funded research and development center, which is sort of part way from government official to the contractor, and I saw those sorts of conflicts that you recognize.

The role of contractors, the disparity in pay that fuels that role, and the influence on policy, I will look at that closely within the intelligence community and assure that we have purely governmental functions being done by government employees and those things that are being done by contractors are those things that are appropriate from the point of view of economy and efficiency but not the point of view of policy.

While we're on the subject, one of the controversial ones, of course, is interrogators. My strong preference is that interrogators in the intelligence world be a professional cadre of the best interrogators in the business for this function, and that our use of contrac-

tors be limited to times where maybe you need a particular dialect of a language that is not spoken or some unusual circumstance. But that's my strong preference. I don't know what the situation is now.

Senator WHITEHOUSE. I think you'll find strong support for that preference from this Committee.

On the general subject of torture as well, the argument has been made over and over in public that the techniques that we have used have resulted in actionable information that saved American lives. My experience is that the efforts of this Committee to actually get a fact that proves that have been unavailing.

We stop at the sort of conclusory level and you try to push behind it and it's been very hard to get. I think it's an important question to know, how also you feel about this issue, whether or not it truly was effective in any respect.

Will you support our committee's efforts to drill down and actually find out whether those statements were true?

Admiral BLAIR. I intend to make those efforts myself, and certainly when I understand it I'll be happy to try to convince you on the Committee that we have it right, because I, like you, have heard many anecdotes, I've heard stories, I've gotten phone calls from people who have been in the business. We're going to sort this out and look at it objectively and find out what the right answer is.

But, as we talked before, that's not the only answer. There is the immediate tactical benefit. There is this larger question, which is going to be a matter of judgment, and that is what is America's reputation. And in my experience America's reputation is what has others doing the right thing when we're not watching; that's very important. It's been a great benefit to us over the years, that has a great value in and of itself.

Senator WHITEHOUSE. In that context, in my last few seconds, secrecy is a rare and special privilege in a democracy. It runs counter to the basic tenets of democracy, but it is necessary in certain circumstances. But I think we grant it to you, the American public grants it to you in trust, with the trust that it will be used only for national security purposes. My experience is that over and over again we've seen official secrecy used not for national security purposes but to mislead the public and to frame or more particularly mis-frame an outside political debate.

Will you pledge to us that you will take this trust of secrecy that you were given as Director of National Intelligence and use it only to protect national security and not to manipulate public opinion or frame or mis-frame critical debates?

Admiral BLAIR. Absolutely, Senator. I think spin is the basis of political campaigns. It's not something we should use our classification authority for, and the release of information should not be some that is politicized. It should be something to inform.

Senator WHITEHOUSE. Thank you, Chairman.

Chairman FEINSTEIN. Thank you, Senator. Senator Feingold, you're next.

Senator FEINGOLD. I thank the Chair and, of course, congratulate her as well. I'm looking forward to working with you, as I did with Chairman Rockefeller, and the new Administration.

The Executive Orders on detention and interrogation are extraordinarily good news for both the rule of law and our national security. As President Obama put it so clearly on Tuesday, we reject as false the choice between our safety and our ideals. That simple statement, which we have been waiting to hear for eight long years is, in my view, the bedrock on which Congress can develop a new relationship with the executive branch.

That relationship is going to include vigorous, independent oversight by this Committee of the intelligence community. But based on everything I've heard so far from the President and from you, Admiral Blair, from Congressman Panetta, I have every expectation that this relationship will be collaborative and grounded in mutual respect between our two coequal branches of government, with all of us working toward a common purpose.

I ask the Chair to put a longer statement in the record, if there's no objection.

Chairman FEINSTEIN. Without objection.

[The prepared statement of Senator Feingold follows:]

STATEMENT OF HON. RUSS FEINGOLD, A U.S. SENATOR FROM WISCONSIN

"With the inauguration of President Obama this week, we—the new Administration and the Congress—have a long-overdue opportunity to strengthen an intelligence community that has been distracted and undermined by the lawlessness of the Bush Administration. As President Obama put it so clearly on Tuesday, 'we reject as false the choice between our safety and our ideals.' That simple statement, which we have been waiting to hear for eight long years, is, in my view, the bedrock on which Congress can finally develop a new relationship with the executive branch. That relationship is going to include vigorous, independent oversight by this committee of the intelligence community. But, based on everything I have heard so far, from the President, from you, Admiral Blair, and from Congressman Panetta, I have every expectation that this relationship will be collaborative and grounded in mutual respect between our two co-equal branches of government, with all of us working toward a common purpose.

"Our consideration of Admiral Blair's nomination to be Director of National Intelligence is a key first step in establishing this relationship and in defining this common purpose. I hope and expect that Admiral Blair will state clearly that he and other officials of the Obama Administration will keep the full congressional intelligence committees fully and currently informed on all intelligence matters, a statutory requirement violated repeatedly by the Bush Administration. And I anticipate that he will provide assurances that no one—not the DNI and not the President—is above the law.

"I have two overriding concerns related to the position of DNI. First is the critical need to continue and broaden reform efforts by integrating the intelligence community with the rest of the United States government. This includes developing strategies for collecting and analyzing information needed to inform foreign policy decisions and defend the nation, whether collected clandestinely by the intelligence community, or overtly, particularly through State Department reporting. Legislation introduced by Senator Nagel and myself last year would establish an independent commission that would make recommendations as to how to develop these strategies. It passed the Intelligence Committee and I hope that the new Administration, as well as the new Congress, will support this important effort. In addition, I was long frustrated by the Bush Administration's repeated failure to develop interagency counterterrorism strategies, despite requirements in statute and repeated urgings in classified letters. It is my hope that the incoming national security team, including the DNI, will develop new interagency processes for developing these strategies, while working closely with Congress.

"Second, even as the Obama Administration tackles the critical and urgent issues of detention and interrogation, the intelligence community must take a fresh look at the surveillance authorities it currently holds. Many of these authorities are overbroad, lack sufficient checks and balances, and otherwise fail to protect the privacy and civil liberties of Americans. They include PATRIOT Act and FISA authorities, many of which were provided by Congress in response to Bush Administration scare tactics and political intimidation. In classified contexts as well as publicly, I

have repeatedly indicated where I believe we can collect the intelligence we need while protecting our constitutional rights. I have identified many of these changes as part of a broader return to the rule of law that I have encouraged the Obama Administration to undertake, and I am looking forward to working with the President's team—at both the intelligence community and the Department of Justice—on these critical matters.”

Senator FEINGOLD. Admiral, in your responses to Committee questions you stated that “where there is a dispute within the intelligence community in terms of whether proposed or ongoing activities are in compliance with applicable law, I believe the DNI should seek a legal opinion from the Office of Legal Counsel at the Department of Justice.”

Given the individuals nominated to head the OLC, as well as Mr. Holder's testimony, this statement inspires confidence. Will you seek OLC opinions at the outset, given the controversies surrounding many of the Bush Administration intelligence programs, and will you work with me and other members of this Committee in identifying and resolving current and future legal concerns?

Admiral BLAIR. Yes, sir.

Senator FEINGOLD. Admiral Blair, I know from our discussion how much you appreciate the need for fundamental reform of our interagency process. As we discussed, one gaping hole in this process is the lack of any strategies to integrate the intelligence community collection with all the overt ways in which our government gets national security information, particularly diplomatic reporting. Until we fill this hole and identify who is best suited across our government to obtain the information we need to inform our policies and protect the nation, I don't think we'll ever be able to use our resources wisely or effectively.

That's why this Committee actually passed legislation by Senator Hagel and myself to create an independent commission to recommend ways to fix this longstanding systemic problem and why a broad range of former officials, including former national security advisors from both parties have endorsed this legislation.

Admiral, would you support the establishment of an independent commission to recommend how the U.S. government as a whole can more effectively collect and analyze all the information it needs?

Admiral BLAIR. Senator Feingold, as I said in our conversation, I completely agree with the premise of that legislation. I would prefer, if confirmed, to take a look at what the situation is inside before I sign up for one particular solution to that problem, but I pledge to talk with you about a way forward, and with the other members of the Committee, about taking on this very important problem.

Because you're right. Often there are outside experts who know as much about a subject as do those who rely on classified information, and our obligation is to get the best intelligence, the best reports to policymakers and the executive branch, and those of you in the Congress, so you can make good policy.

Right now I believe that we don't have a system that integrates those two sources very well.

Senator FEINGOLD. I look forward to hearing from you on this specific legislation and your general comments in the future.

I know Senator Wyden already addressed this and I do want to bring this up. Although I'm a strong supporter of your nomination,

I want to talk about this area of East Timor briefly. As you know, I've had longstanding and continuing concerns about human rights abuses and lack of accountability in Indonesia. We no doubt have substantive differences about U.S. policy, but I want to address at this hearing today the allegations and the press and the Washington Post that, initially at least, you worked around our ambassador in Indonesia in order to get to Jakarta for engagement with Indonesian military officers, notwithstanding the Army atrocities in East Timor.

Are those allegations accurate?

Admiral BLAIR. No, sir, they're not.

Senator FEINGOLD. It says in the press reports that the ambassador was with you at all the meetings, but the press account suggests that you went around him to get to Jakarta, and that notwithstanding his presence in the meetings that he was supportive neither of the trip nor the outreach to the Indonesian military.

Is that accurate?

Admiral BLAIR. No, sir, that's not accurate. I had my position on military relations with Indonesia as part of internal discussions—what kind, how much, what to shut off, what to continue with. I made recommendations within our interagency process on that.

When it came to dealing with the Indonesians, I was a member of the government, carrying out government policy in what I said to the Indonesians. There were no wink-wink nod-nods from me to Indonesian officers to go ahead and do what you want, I'm for you. That's absolutely flat wrong.

I carried out the government policy in my relations with Indonesia. Within the policy debates of the United States I made my recommendations, and I then carried out the policy of the government as it was decided.

So those allegations are wrong.

Senator FEINGOLD. Thank you for responding to that on the record. We all agree the United States should support human rights, but how we achieve that is a fundamental policy question, should not be dismissed, and I do appreciate your candid response.

Thank you, Madam Chairman.

Chairman FEINSTEIN. Thank you very much. Senator Chambliss, you've returned. You're next in line.

Senator CHAMBLISS. Thank you, Madam Chairman.

Admiral Blair thanks for your willingness to continue to be a public servant. We appreciate it very much. And thanks to your family.

As you know, Admiral, there's nobody in the Senate that's more familiar with the F-22 program and the studies around it. I'm very familiar with the IDA, and I am very familiar with that IDA report, your involvement in it. And in my opinion that should not be an issue, and, Madam Chairman, I think the record should correctly reflect that.

Admiral, you stated a little earlier—I think I got this right—that one of the obligations of the DNI is to oversee the hunting down of extremist Muslims who seek to do us harm. I agree with you. That certainly is one of the main functions of our intelligence community.

That conflicts somewhat, though, with the issue of Gitmo and the closing of that facility. We've got 245 of the meanest, nastiest killers in the world still at Gitmo. We know that 18 that have been released previously have been either re-captured or killed on the battlefield. We suspect that there's another 43 that have been released down there that have once again engaged in battle trying to kill and harm Americans.

Now what we are proposing to do with the closing of Guantanamo Bay is to bring those 245 mean, nasty killers to U.S. soil or seek to transfer them to other countries.

We've been trying to transfer them to other countries for seven years, in some cases, less than that in others, and frankly I don't see that happening. So I think we can expect that most of those prisoners down there are going to come into the U.S. system in some form.

I can guarantee you that a certain percentage of those will ultimately be released on some sort of technicality that may be present in the judicial system. So what we're going to have is all of a sudden, in all likelihood, the release of some of those individuals into our society. We know they are mean, nasty killers, and if it's our job to hunt down those extremists who seek to do us harm, isn't that a conflict with the position which you have and the administration has relative to Guantanamo Bay?

Admiral BLAIR. Senator Chambliss, in the last seven years or so I think we've wrestled with this exact question of whether we're talking about prosecuting crimes, whether we're talking about fighting a war. And, as you eloquently put it, I don't think we have found the correct way to treat this new type of campaign that we are engaged in.

On the one hand, we have to fight it like a war and detain people and get information from them and protect our citizens. On the other hand, we have to maintain our stature as a country that's governed by its values and governed by ideals.

We've gone back and forth in many different ways. These Executive Orders are going to give this Administration a chance to take a look at those tough issues and come up with creative solutions for them. The decision to close Guantanamo comes right along with a very hard look at what do we do with those 245 people that are there. As you said, there aren't pretty choices for what we have to do with them. The choice of what we do in the future is the subject of another review for apprehension, detention and interrogation, the ideals.

So we will take advantage of all the experience we've gained in the last several years. We'll be true to our ideals and to our safety, and will come up with a proposal of how to square these issues.

But I'd be kidding you if I told you there was a magic solution there that nobody's found yet. We just have to figure out the best way we can and that's what these reviews are about.

Senator CHAMBLISS. Well, appreciate your honesty in that respect, because I think it's going to be extremely difficult to reconcile the two, of trying to treat these folks as normal prisoners when they're anything but normal prisoners.

The other issue I want to mention to you is the issue that you and I talked about in my office relative to information sharing. Ad-

miral McConnell made some very positive changes in that respect, and I think there's been a lot of headway made since September 11 on breaking down the stovepipes within the FBI, within the CIA, and our other intelligence agencies, and I appreciate your commitment to continue down that road of trying to make sure that we broaden the information sharing between our intelligence communities, and thank you for your commitment to doing that. We look forward to working with you in that respect.

Thank you, Madam Chairman.

Chairman FEINSTEIN. Thank you. We just learned the President has just signed the executive orders, so those are now taking place.

Senator Rockefeller has returned. Senator.

Senator ROCKEFELLER. Thank you, Madam Chairman. Admiral Blair, my sort of formal question is what are you going to do about the gang of eight. I think it's probably more or less impossible for you to answer that question at this point.

Oversight committees like to get answers from people who are just on their first day and under their first minute of an Executive Order, all clear and clean. But in that oversight is the sort of sacred bond between the legislative branch and the administrative branch, executive branch of government.

It's an important question. When is it that you have to in fact adhere, if that is the case at all, to a more select group of people simply because information is so explosive or so imminent or so timely that you adhere to a gang of eight, so to speak, gang of four, gang of 16, whatever it might be, or is it that you just make up your mind that this is a trustworthy group of people? We haven't had any leaks out of this Committee for a very, very long time. I think I know where most of them come from, but they don't come from the Congress or from the intelligence committees.

What do you do about that?

Admiral BLAIR. Senator Rockefeller, that's a very important question. I have some experience in my executive branch service of the whole business of classification and need to know and so on.

I think the first thing to recognize is that I believe we are in a new era in the relationship between the two branches of government represented here, and that by all of the statements I have heard from the leadership and others and by what I know of, if confirmed, my colleagues on the national security team, we look on it as a team sport in which we're trying to win the same game.

So I think that makes a difference right at the start of it. The second thing I've learned over time is people are more important than rules, that the development of trust, the development of informal communication mechanisms, such as the Chairman mentioned, so that we're not caught in some desperate last-minute phone calls to try to repair damage that wasn't thought of because we hadn't been meeting more frequently and earlier is much the exception and not the rule.

The attitude that we don't use classification and sharing as a way to hide things, the recognition that there are legitimate reasons to hold things to small groups, but, on the other hand, the recognition that certainly when I was a senior commander and, as you said, I never pulled any triggers at that level. I didn't do my own staff work, we need to have processes which don't just check a

block on telling somebody but actually get the information across to the right people in a way that protects secrecy.

So all these things are at play in a tough new era of shifting threats and speed and new kinds of things that could be damaging to us. And all I can pledge to you, Senator, is let's turn this new page, let's work together, let's follow the law but let's go beyond the law and have those kinds of things that will develop that trust and support, and I think we can do the right thing for the country.

Senator ROCKEFELLER. Thank you for that. My time is about to run out, so I won't get into my cyber security question, but I'd like to.

Chairman FEINSTEIN. Thank you very much.

A roll call vote began at 11:35. Senator Snowe is the next one up. You would like a second round? Well, then I think some of us should go and vote right now and then come back. Preside, if you will, and I'll recognize Senator Snowe.

Senator WYDEN. Madam Chair, would it be acceptable to go vote and still come back?

Chairman FEINSTEIN. Yes.

Senator SNOWE. Thank you, Madam Chair.

Welcome, Admiral Blair. I appreciate your willingness to serve our country once again. You certainly have an impressive resume, and it certainly will serve this department as it undergoes a major transition since its inception. Certainly that's been one of the goals of this committee, is to ensure that the department is coordinated, integrated, and is functioning for the purposes it was originally designed and intended.

One of the issues—and I know we discussed this during the course of our meeting—was on the issue of FBI transformation and transforming the FBI to a more counterterrorism posture. It's far from being institutionalized at this point.

Over the years, since the department was created, for example, the 9/11 commissioners were before this Committee back in 2005 and indicated at the time that intelligence reform—and gave the FBI a C based on their recommendations. And then, of course, Governor Kean, who was a cochair of the commission, came before the Committee in 2006 and again stated that the FBI had moved too slowly to improve its ability to prevent future terrorist plots, was plagued by turnovers in its senior ranks, was not even close to where they said they would be.

Then the Inspector General for the Department of Justice in 2007 found that the professional divide between analysts and special agents remained a problem, and that barriers to acceptance and cooperation between the two groups must be addressed if the FBI is to efficiently and effectively meet its mission of preventing terrorist acts.

So the bottom line is that we truly still experience some very difficult transitions within the FBI to transform to get more analysts, to provide the proper training, the number of analysts. Our Committee just in the recent intelligence authorization, which is still languishing regrettably in a House-Senate conference, said that the FBI has yet to make the dramatic leaps necessary to address the threats facing our nation and that, astonishingly, only a third of

special agents and intelligence analysts even have access to the Internet at their desktops.

I think that gives you an idea of the problem that still exists and persists within the FBI concerning the central point in terms of intelligence reform. I know you indicated that you pledge to work with the Attorney General, the Director of the FBI, and that the threat is too urgent for us not to intervene.

Could you please outline for us, to the Committee how you intend to compel the FBI to undertake these reforms?

Admiral BLAIR. Senator Snowe, this is a new area for me and, more importantly, I think it's a new area for all of us, in that after 9/11 this new responsibility or newly emphasized responsibility for the FBI came on.

That series of reports you cited, clearly it's a work in progress that needs to be worked on. If confirmed, I will get into that area. I know that funding from the National Intelligence Program goes to the FBI for that purpose. That needs to be funded in the right way and spent in the right way. That's certainly my responsibility.

I have known Director Mueller from the time that I was on active duty, and I look forward to working with him and the new Attorney General. At this point, Senator, I can simply agree with you on the importance of the transformation and pledge that I will look at it as a priority issue and, if confirmed, I will work hard to make sure it's working. And I will come back with you and talk about what needs to be done to make it everything it should be.

Senator SNOWE. I appreciate that. And one of the recommendations made in talking with the cochairs of the 9/11 commission before this Committee was to establish some metrics and standards by which we can measure our performance but also in compliance with these recommendations, because it's certainly long overdue, and the resistance or whatever the case may be, I think that that culture has to truly change, because that is the central part of intelligence reform and making sure that we're on the cutting-edge of being able to fight any terrorist threats.

I know we discussed this as well, an Inspector General for the entire intelligence community. That's been one of my goals and objectives, to pass an Inspector General for the entire community. I know, in reading the responses that you gave to the Committee with respect to that, that you indicated that a statutory Inspector General may add an unnecessary layer of bureaucracy on top of a system that is functioning adequately. But you have sort of a stovepipe approach for Inspector Generals. I don't think it's going to add a layer. The fact is, you want an Inspector General to be able to view the entire community and go across agencies for accountability, to identify problems, because that certainly has been a problem in the past, a failure to identify serious terrorist threats.

We've seen too many instances of intelligence failure to adequately analyze information, failure to share information within the community. So those failures demand better accountability for the entire intelligence community. That's what would be important about an Inspector General, to be able to look across all the intelligence agencies.

Admiral BLAIR. Senator Snowe, I certainly agree with the thrust of your question, which is that there are many issues that cut

across agencies and the Inspector General system is a good system to attempt to improve many of them. I will look hard at that. I know you are personally interested in that issue, and I look forward to working with you on it, if confirmed.

Senator SNOWE. Thank you, Admiral. Thank you, Mr. Chairman.

Vice Chairman BOND [presiding]. Thank you, Senator Snowe. If you will tell them that we are coming.

Senator Nelson, have you had a round of questions?

Senator NELSON. No, I'm waiting.

Vice Chairman BOND. Well, you and I will go for it.

Senator NELSON. I think we have about seven minutes left.

Vice Chairman BOND. If Senator Snowe will tell them we're coming.

Senator NELSON. Six or seven minutes.

Admiral Blair, I just want you to know how much I appreciate your public service to our country; the same to your wife, who often does not get the recognition of the long and distinguished public service. I'm happy for you personally that this could be a capstone on a very lengthy and distinguished career.

I'm going to submit some questions for the record, but the one thing that I want to say is that you are going to really have to exert control and crack the whip, and you're going to have to come to us with proposed legislation to strengthen your hand as the Director of National Intelligence, because when the legislation that created your office was set up, it was too watered down in allowing separation and stovepipes with some of the other intelligence agencies.

The whole idea after 9/11 was to get this all where we could all coordinate it under an office that you're going to assume. In the meantime, what we've had is great cooperation from Secretary Gates, from the head of the CIA and the head of NSA and the other agencies—that's informally. Formally, we've got to create those lines of authority for you to be able to do it.

So I can tell you I speak for our Committee that we want you to come forth suggesting legislation that would strengthen your hand, improve the efficiency, cooperation, and collaboration of all of the intelligence agencies. That way we're going to get a better intelligence product.

Admiral BLAIR. Yes, sir. I can't imagine an incoming director could have a more reassuring set of words than those, Senator Nelson. I'll look at it and if I need it, I'll come back to you, sir.

Senator NELSON. Thank you.

Senator WYDEN. Senator Bond, I think you're next.

Vice Chairman BOND. Thank you for advising me. I'm going to run in a few minutes, Senator Wyden, and I will turn it over to you, whatever gavel I have left.

Admiral, you visited Singapore a few years ago, discussing the arrest by Singapore authorities of individuals believed to be linked to terrorist groups and you stated, and I quote: "Singapore's actions and actions within the United States, we aggressively arrested terrorists and interrogated them ourselves and made a difference and I think we're all safer; our countries are going on the offensive now, not just waiting back behind a big wall or more standoff distances."

Do you still believe we need to be on the offensive, aggressively arresting and interrogating terror suspects?

Admiral BLAIR. Absolutely, Senator.

Vice Chairman BOND. Do you believe the CIA's interrogation and detention program has been effective?

Admiral BLAIR. Mr. Vice Chairman, I'll have to look into that more closely before I can give you a good answer on that one.

Vice Chairman BOND. The Executive Order has been issued about the Army field manual. You have stated that at least there may be an argument that if you have an Army field manual that is widely published and available to al-Qa'ida and other top terrorist leaders, it would not be effective. Is that your view or where do you stand on that?

Admiral BLAIR. Mr. Vice Chairman, we talked about that in your office. I very much share your concern that we not turn our manual into a training manual for our adversaries. And I will play my part in that as the Vice Chair of that review, with that issue very much in mind.

Vice Chairman BOND. President Obama has issued an Executive Order applying the field manual. But, as I understand the situation, he has an Executive Order—the authority to issue an Executive Order describing techniques, classified techniques, that could be used by the Agency that would be different from that used by the Army. Is that your understanding?

Admiral BLAIR. My understanding is we want to revise the Army field manual and make it the manual that goes for both military and intelligence interrogation and to have the guidance so that it's uniform across those agencies, depending, of course. There are many different things in the manual.

Vice Chairman BOND. If the agency is the only one using it, if you disseminated that manual to some 20,000 military personnel who would not be conducting, necessarily conducting, those interrogations and for whom the Army questioners do not need it, why would you describe methods that should not become public to a broad group of people for whom the Army field manual is appropriate?

Admiral BLAIR. Senator, we face this dilemma all the time in military doctrine. We have large amounts of unclassified doctrine for our troops to use, but we don't put anything in there that our enemies can use against us. And we'll figure it out for this manual, which will be the manual for everyone to use.

Vice Chairman BOND. Will it be available to members of the Army—would it be limited, would access to that information be limited to those in the agency who are directly involved or might be directly involved in interrogations?

Admiral BLAIR. It will be limited to those who need it, both within the armed forces and within the intelligence service.

Vice Chairman BOND. We've discussed the FISA Act amendments. Do you believe that private partners who assisted the government should have the civil liability protection that they have been accorded as a result of our Act and the determination by the Attorney General?

Admiral BLAIR. Senator, I'm going back in my mind to your previous question. I hope I don't meet you in a court of law some day,

because I think I'd lose. When I said this manual would be available to those need it, there will be some sort of document that's widely available in an unclassified form, but the specific techniques that can provide training value to adversaries, we will handle much more carefully.

I was just thinking about that answer.

Vice Chairman BOND. That essentially is what the current Administration has done.

Admiral BLAIR. We have to look at this, Senator.

Vice Chairman BOND. I don't ask you to comment on that. The PATRIOT Act has three provisions that are expiring—roving wiretaps, the authority to target lone wolf agents, and the 215 business records. Have you had a chance to review that and take a position on renewing the PATRIOT Act, those three provisions?

Admiral BLAIR. Mr. Vice Chairman, I understand that those provisions that you have described came into force fairly recently. I'm sure everybody on this Committee is more familiar with them than I am. I know that there are reports that I will be responsible, if confirmed, for submitting. We will be gathering data as we go. There have been some Inspector General reports. I'd like a chance to digest all of that before I give you a definitive answer on it, sir.

Vice Chairman BOND. I spoke about DNI authorities. What would you describe is the appropriate role of the DNI? How would you like to see the DNI function?

Admiral BLAIR. I think that the concepts of leading and managing are the core concepts there, and this has to be, as I said in an earlier answer, more than just signing a piece of paper and putting out a glossy brochure. It has to be working on the incentives down through the organization so that those who do their job are rewarded and those who don't do their job are moved out, as you described.

So it's a complex management challenge.

Vice Chairman BOND. You just answered my second question on accountability. You also, I think, in a previous answer indicated you had some sense of the incomplete authorities of the DNI. We will discuss those later, but I think you will find that they are very important.

A final question. How important do you think it is to prosecute leakers of classified information?

Admiral BLAIR. You know, Senator, I've been bothered throughout my career, as you have, by leakers. If I could ever catch one of those, it would be very good to prosecute them. So I believe that we need to make sure that people who leak are held to account for it.

Vice Chairman BOND. Thank you very much, Admiral.

I'm going to turn this over to the distinguished Senator from Oregon and try to make the floor vote. I will ask unanimous consent and hereby grant it to put my additional questions in the record.

I thank you for your testimony.

Senator WYDEN [presiding]. I thank the Vice Chairman. Before the Vice Chair leaves, one of the many reasons I'm going to miss you is I've enjoyed working with you, and the two of us have been leaders of the bipartisan effort to increase the penalties against

those who leak in the kinds of situations that the Vice Chairman has mentioned.

Let me start, Admiral, with this question. For years the warrantless wiretapping program and the coercive interrogation program was withheld from most members of this Committee. Was that justifiable, in your view?

Admiral BLAIR. Senator, it is difficult to cast ourselves back to those days right after 9/11 and the feeling that was in the land at that time. As I said in my statement, I think that the actions that are taken by the intelligence community in gathering intelligence on Americans need to have a lawful basis, need to have procedures that are tight, and need to be reviewed. I can tell you that going forward they will meet all those criteria.

Senator WYDEN. With respect to my question, most of the members of this Committee had that information concealed from us for years. I'm not talking about a short period of time. Was it justifiable to conceal from most members of this Committee that information for years?

Admiral BLAIR. Senator, going forward, I will not conceal information that you ought to have from you for years.

Senator WYDEN. Why are you not willing to respond in a yes or no fashion to this question, because past is always prologue. I share your view with respect to something that might have been short-term.

Admiral BLAIR. My only reason for hesitation is I don't have direct knowledge of it, and I'm just hesitant to give you a categorical answer without having known more about it.

Senator WYDEN. This member of the Committee is saying that for myself and most members of the Committee it was concealed.

Admiral BLAIR. The situation as you describe it, Senator, is wrong.

Senator WYDEN. Thank you. I appreciate your reaching that judgment.

Admiral, two other areas. If the Government Accountability Office is conducting a study at the direction of one of the intelligence committees using properly cleared staff, will you give them access to do their work?

Admiral BLAIR. I'm sorry, would you repeat the question, Senator?

Senator WYDEN. If the GAO is conducting a study at the direction of one of the intelligence committees, using properly cleared staff, will you give them the access they need to do their work?

Admiral BLAIR. Senator, I'm aware that the direction of GAO studies and terms of them are generally subject to talk between the two branches of government for a variety of reasons, and, subject to having those discussions, I ultimately believe the GAO has a job to do, and I will help them do that job.

Senator WYDEN. I would appreciate it, and I would also appreciate you following that up with Chairwoman Eshoo. This is something she's brought to my attention, and I think her point is very valid.

Admiral BLAIR. It sounds like there's a story behind this, Senator, and if we can talk about that story I think we can fix it.

Senator WYDEN. Fair enough.

The third area I wanted to talk about that we talked about in the office is the overclassification of government documents. This has been done by executive branches that were dominated by Presidents of both political parties. Governor Kean put it pretty well when he talked about his work on the commission, where he said well over half of the documents he saw that were classified didn't need to be classified.

I expect that you and I will be doing a lot of work together with respect to situations, but what is your general view with respect to whether overclassification is a serious problem, and what would be your thoughts, just for purposes of this very short discussion, in terms of dealing with it?

Admiral BLAIR. As we discussed in your office, my experience has been the same as that which you relate, that there is a great deal of overclassification. Some of it I think is done for the wrong reasons, to try to hide things from the light of day. Some of it is because in our system there is no incentive not to do that, and there are plenty of penalties to do the reverse, in case you get something wrong and don't classify it. So I think we need to do fundamental work on the system.

But I think, in the case of intelligence in particular, we need to sort of demystify a lot of the work that's done in the intelligence business, which is very smart people looking at a lot of information and trying to reach judgments. Many times our adversaries know more about it than our citizens do, which is not the way it ought to be. So I basically agree with the general thrust of your remarks, Senator Wyden. I'll be working to see if we can come up with a different approach that incentivizes it at the right level and informs not only those of you with security clearances on this Committee but the wider interests of the public whose support we need.

Senator WYDEN. Admiral, my time is up. I just want to state this morning I intend to support your nomination. I think you've been candid this morning and I appreciate it and look forward to working with you.

Admiral BLAIR. I look forward to working with you, if confirmed, sir.

Chairman FEINSTEIN. Thank you, Senator Wyden.

Admiral, my intention is to go for another half-hour. If all the Senators have their questions answered by then, we will adjourn the hearing. I'm sure that won't be a painful decision for you. But I'd like to ask a couple more questions. I know Senator Whitehouse has a couple more and there may be other returning Members, so we'll see how it goes, if that's all right.

I wanted to ask you some questions, as others have indicated, on holding people accountable for decisions made. I want to know how you would hold people accountable and handle disciplinary measures for officials in the community that were involved at the top levels for interrogation and detention.

I'd like to ask you if you have also reviewed the recent report of the CIA IG involving the Peru shootdown. The unclassified statement that I could make is that the shootdown confirmed what our Committee found, that the program was not managed as the President authorized, and the IG report found that CIA officials withheld information from Congress and Executive branch officials.

Admiral BLAIR. Madam Chairman, the issue of accountability I believe goes hand-in-hand with responsibility, and you need to assign things clearly and then give medals and promotions and rewards to people who carry them out legally and do their jobs well, and then you need to hold to account those who fail to follow the directions or who do it badly.

There's a difference between those two. So I think you have to look at what the mission was at the time, what the direction and parameters were at the time, and you make a call as to whether the person deserves the reward or deserves the punishment or should be moved out of the job.

So I'm pretty traditional on these things. I intend to establish procedures and move forward. But there are some things in the past that have to be looked at. Inspector General reports like the one you mentioned, which I have not had a chance to read yet, need to be looked at, and both reward and punishment meted out accordingly.

So I think this is absolutely key to making an effective organization, giving people at lower levels confidence that they will move up if they do well, that they'd better watch out if they don't do well. So I agree with that concept.

Chairman FEINSTEIN. I'll discuss this with you further in another setting, if I may.

When we met last week we discussed the community's enormous overuse of contractors and the use of contractors for what are inherently, I believe, governmental functions. The 2007 DNI contractor study found that contractors are now 27% of all intelligence community personnel. They perform missions, including interrogation of CIA detainees, which I think is completely inappropriate and should be done by government employees, and contractor personnel cost \$80,000 more than a government employee.

When we spoke you said this was a matter of concern and that you intend to look into the contractor issue. I'd like you to tell us how you intend to proceed and when you will have some answers, because candidly I find this unacceptable. I find hiring contractors to interrogate detainees and hiring contractor psychologists to evaluate is just the wrong thing for the government to do.

Admiral BLAIR. You showed me some summary charts from that report from 2007, Madam Chairman, and I agree with you that it's a serious problem. I think we have to look behind the numbers at the motives—a big ramping up in responsibilities, money available but not trained people available. I know that in many branches of government the answer was hire a contractor, in many cases a retired officer from that organization who basically had some experience. But you can't do that for a long time. You have to get it right. You have to keep the governmental functions by people who get their paycheck every two weeks and work for the government.

I will get into that issue. I agree completely that we should have a cadre of trained government interrogators as we move forward, and I will look at that as soon as I get in and work in that direction. I'm not sure about the speed. I'm not sure what the situation is right now, but I look forward, if confirmed, to consulting with you on that.

Chairman FEINSTEIN. Thank you.

Senator Whitehouse, I think you're next and then—Senator Rockefeller, do you want to go next?

Senator ROCKEFELLER. Thank you, Madam Chair. I just have one question, Admiral, and that is what I left off with about cyber security.

What was it, a year ago, Sheldon, that Mike McConnell took us out to an undisclosed location in Virginia, and really the whole point of it was all about cyber security. He views it as the premier national security problem.

There was a sense of urgency in that meeting. The problem with things like that is you get the urgency and people collect and then people disperse, and then you have all the various jurisdictions. So we have a cyber initiative. Senator Whitehouse has an enormous interest and capacity, a hunger to be helpful in this area.

So we have the initiative which focuses on securing the federal government, the Executive branch and Legislative branch information networks. And that's a good start. That's a good start.

But my main worry is the security of our country's critical infrastructure—our electric power grid. People like to call it smart. It just needs to get big. You can hope that it's smart but if it gets big that's going to solve 80 percent of the problems—our communication system, our banks, et cetera, et cetera, et cetera. And I don't think there's probably anybody in this Congress that hasn't been hacked into by this.

Therefore, because it's wrapped up in this thing called the Internet, free travel across the spaces and the atmosphere, there's an innocence to it, except that it's utterly un-innocent when somebody intends it to be that way.

So what I would just like to get from you is what we need to do about that, what do we need to extend in terms of the cyber initiative, and how you personally see it.

Admiral BLAIR. I have some familiarity with the issues of cyber security, Senator Rockefeller, but there's a lot that I'm dated on or that I don't know. But I certainly share your feeling of the priority of securing our networks.

As you point out in your question, we have to protect our networks within the government, but from society's point of view it's these networks, on which increasingly the basic functions of society and country depend, that we have to be extremely concerned about.

I think the intelligence community, within the team of government and private organizations that have to work on it, has the responsibility for working on the threat. It should be the intelligence community, the National Security Agency has it squarely in their charter, that understands the sort of techniques and the thinking of those who are trying to, both maliciously and with true threat intent, get into our systems and cause them harm.

There's a lot of expertise there in the National Security Agency and elsewhere about how we protect systems, and we need to share that judiciously with the private sector so that we have the best techniques to work with them.

And then, in the area of recovery which goes along with all of this, I think the government and the intelligence agencies within it has an extremely important role in attribution so that you know how to recover and how to recover well.

So I think throughout this campaign there's not one answer for it either; it's a crew race. One side pulls on the stroke and the offense pulls ahead and then the defense pulls ahead. We've got to keep stroking faster, better, with more teamwork, and that's going to be something that certainly I think the entire time that I, if confirmed, am in this job will be a very high priority.

Senator ROCKEFELLER. I think the point you make about trying to keep up with the other side, usually in terms of China and others, I think it puts us at a disadvantage in this country. In other words, if you're trying to catch up with and develop a stronger firewall which another country or who knows where it comes from then breaks that down, then you have to come back and come up with an even higher firewall of some sort.

It's a game which is deadly and which has a very hard time attracting public interest. When it will attract public interest is if they close down the electric grid system, but in the meantime we don't want that to happen so it's going to have to be done by the government, working with the private sector, and with an intensity which belies sort of the placid view of the Internet's a good thing and people can talk all across the world.

Let me just end by saying I really enjoyed the process of working with you and I look forward very much to your stewardship of this. We had a discussion once that you spent your life sort of giving commands and in the military four-star it's chain of command, and you were in our conversation very, very sincere in understanding the dimensions of this problem and the need to share with the Legislative branch, although that sometimes can be very painful—hours in hearings, and you say why did I ever get myself into this.

But it is a team effort. We are Team America and we are under attack, and we have to go at it with that kind of cooperative point of view. And I think you're precisely the guy to do it, and I think also that you will be very strong in your views and help move the IC community effectively.

Thank you, Madam Chair.

Chairman FEINSTEIN. Thank you, Senator Rockefeller.

Senator Whitehouse.

Senator WHITEHOUSE. Thank you, Chairman.

Admiral, just a moment ago, in response to a question from Senator Bond, you indicated that there will be a public document on interrogations, but specifics of interrogation techniques may be held back. That's more or less the design of the Army field manual approach now—19 techniques, but the precise manner of their implementation is not disclosed.

Is that what you intended to mean by your response?

Admiral BLAIR. Thank you for giving me a chance to talk about that again, Senator Whitehouse. I don't know.

Senator WHITEHOUSE. You weren't talking about using techniques outside the Army field manual.

Admiral BLAIR. What I was thinking—the general pattern that I had in mind is that information widely available is more general than that which is specifically used, which is of value to potential adversaries. That is, we use this in many other techniques in which we have to assure the American people that we are acting

correctly, but nonetheless we don't want to provide open intelligence support to those who are trying to come after us.

So striking that balance, the one way I'm familiar with, is the more general public documents and then, as the level of specificity increases, more limited in the distribution, more careful in the classification. So I'm certainly going in thinking in those terms but I don't know if that's the right answer.

Senator WHITEHOUSE. But not outside of the bounds of the unclassified array you begin with.

Admiral BLAIR. No, sir. The idea is not: here's this public document—just kidding, here's the real stuff. That's not what I'm saying.

Senator WHITEHOUSE. That's what I needed to hear. Thank you.

We have, during my brief tenure on this Committee, over and over again seen alarming, appalling leaks of classified information and over and over again, every single time, as best I can tell, those are leaks outside of the legislative branch, out of the intelligence community, not from Congress, not from this Committee, and it happens over and over and over again.

Apparently the record of getting these turned over for investigation and prosecution has been zero. I'm not sure. It's probably classified what the number was that we were given yesterday as to how many had been turned over. It was a large number, out of which zero cases resulted.

Which suggests to me that there is a significant lack of energy and interest within the intelligence community in truly policing this stuff and that the device for kind of getting rid of it or fobbing it off is to say well, we'll send it over to the Department of Justice and if they can't prosecute it as a criminal offense, well, we're not going to take any further interest, when you have all sorts of personnel, administrative, supervisory and other authorities to deal with this as well.

Now you can send as good a message by firing somebody as you can by marching them out in handcuffs in many situations.

So I hope we can work with you on this later, but I hope that you will consider this business of leakage to be a significant and serious one and that you will be willing to use your administrative authorities and demand that those agencies reporting to you use their administrative authorities and not just pass the buck to DOJ and when they find out that it's for some reason not a criminal offense that they care to prosecute, and kind of feel they can kind of wash their hands of the problem. It's a serious problem and very serious national security information has been released because of it.

Admiral BLAIR. I completely agree, Senator Whitehouse. If confirmed, I'd like to come and talk to you about some ideas where we can build in some technical and some procedural safeguards into agencies so that it's not a case of going back afterwards and trying to get records and question people but we have some tools that will let everybody who works for the government know that if you are going to pass classified information to a reporter or to someone there will be a trace of it which will make it relatively quick to identify you as the one who did it, so you shouldn't ought to think about it.

So I would look forward to talking with you. Now, as I say that, we of course have been discussing aggressive techniques which have stepped over the line in the past, but I think we can work out something that will get people away from it. I've been bedeviled for years by reading things in the paper that I thought were very private and classified accounts of meetings that I participated in, and it just helps our enemies and messes up good government and we'd better find a way to get on top of it.

Senator WHITEHOUSE. I appreciate that.

Madam Chair, may I ask one more question? Senator Levin has given me permission to do that.

Chairman FEINSTEIN. Yes, certainly.

Senator WHITEHOUSE. The focus of this hearing has to a degree been on the mistakes and the mishaps and misdirection of the past. It has left, I think, potentially, a flavor that these are troubled agencies. I just want to say I was in Afghanistan recently up at a forward operating base in a former Soviet prison with no windows in the shadow of the border—no lights at night because it would attract rocket and mortar fire, pretty severe conditions of privation. And folks who will be working for you were operating there at a level of morale and enthusiasm and professionalism and tempo and expertise that just took my breath away. It is really, really impressive what is going on out there.

I think there were probably some very goodhearted and professional people swept up in some of these mistakes, and particularly those who were involved and the interrogation procedures, detentions and so forth. It strikes me that one thing they are entitled to from their country, as they did what they believed was approved and legitimate and what they were told to do and what they thought would help the country, is to have accurate legal advice now about what their real predicament is.

I hope that you will consider working with your colleagues at the Department of Justice to try to get them a fair and proper legal status report of what their situation is so they can understand what potential vulnerabilities they may have taken on, particularly at the individual agent level, in perfectly good faith without having any legal degree or anything that might suggest to them that somehow something had gone wrong up at the White House, in the Office of Legal Counsel and all these places to pollute the information that they were given.

Now they may be stuck with it. They may be people who should be careful about where they travel and so forth. So I would urge you to consider that. I think it's important. I think it's part of what we can do for them to try to make this right and, as I said, there are some extraordinarily wonderful people who will be working for you.

Thank you, Chairman.

Chairman FEINSTEIN. Thank you very much, Senator. Senator Levin.

Senator LEVIN. Thank you very much.

Chairman FEINSTEIN. Oh, if I could ask staff, there are certain members that have not had an opportunity to speak. You know who they are. If you could tell them that now would be the time,

because the intention is to adjourn when we finish this round. Thank you.

Senator LEVIN. Thank you, Madam Chairman.

Admiral, the National Counterterrorism Center, the NCTC, was created by the Intelligence Reform Act of '04. It was given two broad missions and I think you've already identified basically those missions. After four years of existence, does the NCTC function at the level that Congress and the President intended? You just participated in a review of their activities and the intelligence community in general. So on a scale of, say, one to ten, how would you rate NCTC in terms of access to intelligence, the quality of its analysis, and its ability to control what gets collected?

Admiral BLAIR. I'll need some more time to give you an exact answer, Senator Levin, but I happen to know retired Admiral Scott Redd, who was the director there for a while. He's a friend and I had a chance to talk to him about it. I've talked with people who have worked with NCTC, and my impression is that that place is good and getting better all the time but I don't think it's perfect.

I think we're on a good slope there and we need more, faster, better.

Senator LEVIN. Going back to the question that a number of us have asked about, which is the treatment of detainees, there is a new Executive Order which has now been signed. In your judgment, is waterboarding torture?

Admiral BLAIR. I think in answering that question, Senator Levin, I would say that there will be no waterboarding on my watch. There will be no torture my watch.

Senator LEVIN. Let me ask the question again. From what you know of waterboarding, is it torture?

Admiral BLAIR. In answering that question, Senator, I'm very much aware that there were dedicated officers in the intelligence service who thought they were carrying out activities which had been authorized at the highest levels and properly authorized. They had doubts about them originally, so they asked and asked again. Then they were given direction and then they took action.

I don't intend to reopen those cases of those officers who acted within their duties. So I'm hesitating to set a standard here which will put in jeopardy some of the dedicated intelligence officers who checked to see that what they were doing was legal and then did what they were told to do.

Senator LEVIN. The problem with that answer is that the Attorney General nominee has given us his judgment, and your reluctance to give your own judgment on that question, it seems to me, is troubling to me, because I don't think there's the slightest doubt about it, regardless of what the former Vice President said.

So I'm looking for your judgment on that question from what you know of waterboarding. In your judgment, is it torture? If the Attorney General designee can answer that, it seems to me you ought to be able to give us an answer as well.

Admiral BLAIR. Senator, you'll just have to make the inference from my answer that on my watch we will not waterboard.

Senator LEVIN. We had a senior intelligence officer in front of us, Colonel Steve Kleinman, in front of the Armed Services Committee—I believe it may have been a hearing of this Committee—

and this is what he said, and this has to do with the use of abusive tactics.

He says, "I was privileged to join 14 of America's most accomplished intelligence and law enforcement professionals in an intensive discussion of best practices in interrogation. Representing the Central Intelligence Agency, the Department of Defense and the Federal Bureau of Investigation, we collectively represented 350 years of operational experience in conducting thousands of interrogations and debriefings. Our respective professional experiences led us to a single emphatic conclusion. The most effective method for consistently eliciting accurate and comprehensive information from even the most defiant individuals, to include terrorists and insurgents, was through a patient, systematic, and culturally enlightened effort to build an operationally useful relationship."

Do you agree with that?

Admiral BLAIR. Based on everything I know, I agree with that, yes, sir.

Senator LEVIN. Thank you. My time is up. Thank you, Madam Chairman.

Chairman FEINSTEIN. Thank you very much, Senator Levin.

Senator HATCH, you are up.

Senator HATCH. Thank you, Madam Chairman. I just want to congratulate you on your ascension to the chairmanship of this really, really important committee. We've worked together on a lot of things. I have a lot of respect for you and I appreciate the way you've started this Committee and started your tenure here. It personally means a lot to me.

Admiral Blair, I want to welcome you. You've given long and distinguished service to this country and I have nothing but respect for you.

We've had rather extensive conversation in my office and I personally appreciated the forthrightness with which you approach this job and really approach everything. You're the kind of guy that I think makes a difference in this world and who can certainly make a difference in this job. It's one of the most important jobs in this country today.

I also want to pay tribute to Mike McConnell. When he came in, it was overwhelming, and you'll find it to be so as well. But a lot of the overwhelming part he's helped to put together and resolved. He's helped to resolve these approaches, but there are still plenty of problems and you'll find that that's so when you get there.

I suspect you're likely to spend an awful lot of time before this Committee, and I certainly expect you to be confirmed. I wish you success in the role as the nation's third Director of National Intelligence.

If I could just ask a couple of questions, Admiral Blair, I believe the July 2004 report by this Committee cataloging and analyzing the Iraq WMD intelligence failure prior to 2002 was the most comprehensive report done on this subject. It might be the most important report ever done in the history of this Committee.

Have you had a chance to read it?

Admiral BLAIR. I've read the summary of it, Senator Hatch, and I agree it's an extremely thorough document.

Senator HATCH. What do you believe explains the failure of the Intelligence Community in assessing the presence of weapons of mass destruction in Iraq in 2002?

Admiral BLAIR. I've had a chance to talk to some of the officers who were involved in that in fairly senior positions, and, as I would describe it, I think there were a bunch of tumblers on that lock that all fell into place to produce that very wrong result. Some of them had to do with the lack of sources and sheer lack of penetration. Others had to do with attitudes of analysis which were flawed.

Part of it had to do also with the extraordinary political pressure that was placed on some of the analysts. So I think there were a bunch of things that contributed to it, Senator Hatch.

But what I think is really important is that when that happened, it was so clear it was wrong, the intelligence community actually took a standdown, stopped work, every analyst, half a day on how did this happen, and then went through a process of really critical self-examination and put in place a series of corrective measures to make sure it wouldn't happen again.

Senator HATCH. Well, they weren't alone when they did this, because almost every major intelligence department of all the major countries felt exactly the same way.

Admiral BLAIR. It doesn't excuse it.

Senator HATCH. By the way, just to correct you, the report expressly said that there was no political pressure involved, so you might want to read it from that standpoint as well.

Admiral BLAIR. I'm sort of thinking small "p" political—the intense overwatch, the high stakes.

Senator HATCH. Even there, they denied that there was any of that—at least that's my recollection of it, and I think I'm accurate on that.

I also want to praise General Hayden. He's been a tremendous asset to the country. He's straightforward and of course he's been very forthright with this Committee as he served as DCIA. He's a very, very fine man.

What do you believe the IC has done to address the flaws in the analytic tradecraft that contributed to the Iraq WMD intelligence failure?

Admiral BLAIR. Some of the things I'm familiar with, Senator—and in the little bit of looking at it that I've done, which is not as extensive as yours—the re-examination of the process of reaching an intelligence judgment, checklist of checking assumptions and bringing in contrary views. And these sorts of ways of putting together an assessment I think have been now institutionalized within the intelligence community.

So I think the primary point there is to make it clear to policy-makers how well you know what you're saying, because you have to come down and make a call. That's the intelligence business.

But there are some calls that are 90/10 calls because you have really good intelligence and some calls which are 51/49 calls because you didn't have that good evidence so you just have to use your judgment. I think the main thing is the people in the intelligence business have to make it clear to those who have to make the policies that this one we are very sure of and this one is based

on making our best judgment based on relatively limited information so that the policymaker can avoid the wrong and make the right policies. I think that has been drilled into the intelligence community and, if confirmed, will certainly continue.

Senator HATCH. Madam Chairman, my time is up, but could I ask one more question?

Chairman FEINSTEIN. Certainly.

Senator HATCH. I'm the longest-serving person on this Committee. It's a very good Committee. Naturally I'm on so many other committees I can't give as much time to it as I'd like but I devote a lot of time to it as well.

I particularly appreciate the time the Chairperson has given over these years. She has taken it very seriously, and I commend you to work with her as closely as you can.

But a fundamental concern of mine when it comes to the questions of reforming the intelligence community has been the critique that in the past the intelligence community has not been a learning organization. When I speak of "learning organizations" I think specifically of the military. When soldiers, marines, airmen and sailors are not in combat, they are constantly in training. Even in combat every engagement is followed by a lessons learned exercise.

For example, if a new type of IED is detonated at 4:00 p.m. this afternoon in Baghdad, that event is analyzed almost immediately. By morning our commanders in the theater will know about it. And then when not in combat the military is constantly studying and training. The military, in short, is a learning organization. Over your career in the military, a professional soldier, sailor, airman or marine will spend years in training and school in a twenty year career following their initial training; an intelligence officer will spend only weeks.

Now this is of particular concern to me because I know that in this new conflict, the global war on terror, our intelligence officers in the field are learning a great deal about how to deal with armed groups, and I'm not sure if these lessons are being captured into evolving tradecraft or are taught to new officers or incorporated into an evolving doctrine. I'm unaware of the institutional mechanisms that are designed to do just that.

Do you believe that the IC is a learning organization? Should it be? How often should officers be exposed to training and studies? What are the institutions of learning in the IC, and do you foresee changing those?

Admiral BLAIR. Senator, of those questions the one I can answer unequivocally is number two. Yes, the intelligence community should be a learning organization. I have only a limited knowledge of the organizations to do it. I know there is a CIA Center for lessons learned, because I happen to know the director of it from my past life. I know there is a new director of the Intelligence University and the education component, as you say, is absolutely vital.

So this is another of those areas that I bring some background within an organization that believed in learning. I carry that belief with me and I'll dive into it and make the proper changes there if they need to be made. And I look forward to consulting with you about it.

Senator HATCH. Thank you, Admiral. I'm grateful for your service and your willingness to do this. It's a difficult job and a demanding job. I'm grateful for all the service you've given all these years.

Thank you, Madam Chair.

Chairman FEINSTEIN. Thank you very much, Senator Hatch. Admiral, it looks like we've come to the end of this hearing.

The Committee may have some questions for the record and will try to get them to you by the end of today.

I'd like to mark this up as soon as possible. In order to do so, we will need to see the answers to the questions, so the quicker you can get those back to us, the quicker we can do our markup.

Also I want to take a moment to thank Admiral McConnell and General Hayden for their service to our country and to the community. Those of us that have worked with them know that they did the very best they could and I think did some very strong and positive things for both the CIA and the community that the DNI heads. So their services are very much appreciated and I want to make that clear.

I would also like to express my welcome to your wife, Diane Blair. Thank you for your patience during this hearing.

I believe that completes our questions.

Admiral BLAIR. May I make one final statement, Madam Chairman?

Chairman FEINSTEIN. Yes, you may.

Admiral BLAIR. As I think over the last three hours, it seems we've been somber, negative and so on, and I just don't want to end on that note. If you confirm me, going in, I'm extremely optimistic about what we can do with intelligence for this country. We've got tens of thousands of incredibly dedicated, smart, hardworking people that want to do the right mission. You've given us a lot of money. It's a public figure. You've doubled it. We're going to win this puppy. This is not something I'm discouraged about. This is not something I have my tail between my legs about, nor does the entire community. We've got a mission. We're going to do it great, we're going to be worthy of the American people, and we're going to win it.

So I don't want to end on a note of how difficult this is and how many mistakes have been made in the past. I wanted to end on a note of the incredible energy and capability and dedication and resources you've made available to the fine men and women of the intelligence services who go out there and do a great job.

Chairman FEINSTEIN. I appreciate that. I think we all appreciate the service of the men and women of the intelligence community, and there are a lot of them there. It's true the good things take care of themselves. The difficult problems and the untoward happenings always come to our attention, so necessarily we have to deal with them.

I think what's important is that we have an openness between the Committee, between you, between the various agencies and that you are forthcoming with us. There's nothing that puts the Committee in a stone wall position more than being refused data or having someone be untruthful with us. So if we can have a candid, upfront, anticipatory relationship and include in when things

are developing problems and what the solutions are and have an opportunity to discuss them with you, I think that's very helpful.

I mentioned to you that one of our committee's best meetings was when General Hayden invited us to come over to Langley and we spent an hour and a half or so with them on certain classified programs. The back-and-forth was very useful and also enabled us to really understand the full course of what was being discussed, kind of away from the harassment of having to do two committees or be interrupted to go to a phone.

So I hope you will facilitate more of those kinds of interactions. We're also going to put together a CODEL of the entire Committee, if you can join us, to go to some of the operations throughout the world so that the entire Committee is able to see the on-the-ground effort, the difficulties of that effort, and I hope come back much better informed for that trip. It will be a hard-working trip, I promise you that.

Admiral BLAIR. I think it's a wonderful idea.

Chairman FEINSTEIN. Thank you. Thank you very much.

If there's no further testimony to come before this Committee, the meeting is adjourned.

[Whereupon, at 12:40 p.m., the Committee adjourned.]

Supplemental Material

SELECT COMMITTEE ON
INTELLIGENCE

UNITED STATES SENATE



QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES

**SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE**

QUESTIONNAIRE FOR COMPLETION BY PRESIDENTIAL NOMINEES

PART A – BIOGRAPHICAL INFORMATION

1. NAME: Dennis C. Blair
2. DATE AND PLACE OF BIRTH: 2-4-1947, Kittery, ME
3. MARITAL STATUS: married
4. SPOUSE'S NAME: Diane Blair
5. SPOUSE'S MAIDEN NAME IF APPLICABLE: Everett
6. NAMES AND AGES OF CHILDREN: [REDACTED]

7. EDUCATION SINCE HIGH SCHOOL:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREE</u>	<u>DATE OF DEGREE</u>
U.S. Naval Academy	1964-1968	B.S.	1968
Oxford University	1969-1971	M.Phil.	1971

8. EMPLOYMENT RECORD (LIST ALL POSITIONS HELD SINCE COLLEGE, INCLUDING MILITARY SERVICE. INDICATE NAME OF EMPLOYER, POSITION, TITLE OR DESCRIPTION, LOCATION AND DATES OF EMPLOYMENT).

U.S. Navy, 1968 to 2002

Notable Positions:

White House Fellow, U.S. Department of Housing and Urban Development,
Washington, D.C., 1975 to 1976
National Security Council Staff Member, Washington, D.C., 1981 to 1983
Associate Director of Central Intelligence for Military Support, 1995 to 1996
U.S. Joint Chiefs of Staff, Director of the Joint Staff, Pentagon, 1996 to 1998
U.S. Pacific Command, Commander-in-Chief, Honolulu, HI, 1999 to 2002

Post-Navy Employment: Primary Compensated Positions

Institute for Defense Analyses, Alexandria, VA
 Senior Fellow, October 2002 to November 2003
 President and CEO, November 2003 to September 2006
 Consultant, September 2006 to present
 EDO Corporation, Director, New York, NY, October 2002 to July 2006
 Tyco International, Director, Hamilton, Bermuda, March 2003 to present
 Iridium Satellite LLC, Director, Bethesda, MD, May 2007 to present
 Dickinson College and the Army War College, General of the Army Omar N.
 Bradley Chair in Strategic Leadership, Carlisle, PA, August 2007 to May
 2008
 National Bureau of Asian Research, John M. Shalikhvili Chair in National
 Security Studies, Washington, D.C., September 2007 to present

Post-Navy Employment: Consulting and Advisory Boards

Saint Andrew's School – Trustee, January 2006 to present
 International Institute for Strategic Studies – Member of Advisory Council,
 January 2006 to present
 DCB Associates, Consulting Firm – President, January 2007 to present
 National Committee on US-China Relations – Member of Executive Committee,
 January 2006 to present
 US-China Policy Foundation – Executive Board Member, January 2006 to present
 Institute for the Study of Diplomacy – Director, January 2006 to present
 Center for a New American Security – Director, January 2006 to present
 Energy Security Leadership Council – Member, August 2006 to present
 Project on National Security Reform – Deputy Director, September 2005 to
 present
 Asia Society Policy Board – Member, March 2007 to present
 The Analysis Corporation – Advisory Board Member, 2007 to present

Department of Defense, Special Government Employee
 Chairman, Missile Defense Agency Advisory Committee, October 2005 to
 present
 Member, U.S. Strategic Command Advisory Committee, November 2004
 to present
 Member, U.S. Northern Command Advisory Committee, March 2003 to
 present

*All the following other sources of income were fees from consulting, or honoraria
 from speaking at seminars and writing articles.*

2002

National Security Advisory Panel - \$2,500
Johns Hopkins University - \$500
Center for Naval Analyses - \$500
Kansas State University - \$500

2003

SAIC wargame participation - \$10,500
Council on Foreign Relations - \$6,250
Center for Strategic and International Studies - \$500
Woodrow Wilson Center - \$200
Whitney, Bradley and Brown - \$1500
University of North Carolina - \$500
U.S. Joint Forces Command - \$7,670
National Intelligence Council - \$1,000
Raytheon - \$3,600
Johns Hopkins Applied Physics Laboratory - \$1,000
Johns Hopkins University - \$1,000

2004

Booz Allen Hamilton - \$560
Carnegie Institute - \$750
National Intelligence Council - \$535
National War College - \$1,500

2005

Boeing - \$500
Aspen Institute - \$500
Center for Naval Analyses - \$750

2006

Brookings Institute - \$500
Air University - \$350

2007

Air Forces Pacific - \$10,000
Seoul Forum for International Affairs- \$5,000
The Analysis Corporation - \$5,000
U.S. Pacific Command wargame participation - \$10,000
University of Pennsylvania - \$650
Foreign Affairs Magazine - \$500

Booz Allen Hamilton - \$7,878
 Omar Bradley Chair, Dickinson College - \$45,000
 National Bureau of Asian Research, John M. Shalikhshvili Chair - \$18,000

2008

Texas A&M - \$1,000
 Y Hata Food Company - \$10,000
 Center for Strategic and International Studies - \$2,500
 Bank of America - \$7,500
 National Intelligence Council - \$2,000
 Pennsylvania Psychological Association - \$3,000
 U.S. Pacific Command wargame participation - \$20,000
 U.S. Air Force Pacific wargame participation - \$12,000
 The Analysis Corporation - \$10,000
 Omar Bradley Chair, Dickinson College - \$45,000
 National Bureau of Asian Research, John M. Shalikhshvili Chair - \$75,000

9. GOVERNMENT EXPERIENCE (INDICATE EXPERIENCE IN OR ASSOCIATION WITH FEDERAL, STATE, OR LOCAL GOVERNMENTS, INCLUDING ADVISORY, CONSULTATIVE, HONORARY, OR OTHER PART-TIME SERVICE OR POSITION. DO NOT REPEAT INFORMATION ALREADY PROVIDED IN QUESTION 8).

In addition to the experience discussed above, since retiring from the Navy I have met with Senators and Members of Congress and Executive Branch officials regarding national security issues and testified before congressional committees. For a list of my testimony, please see my answer to Question 13. See also Question 18.

10. INDICATE ANY SPECIALIZED INTELLIGENCE OR NATIONAL SECURITY EXPERTISE YOU HAVE ACQUIRED HAVING SERVED IN THE POSITIONS DESCRIBED IN QUESTIONS 8 AND/OR 9.

I served in the U.S. Navy for more than three decades, acquiring a deep familiarity with the U.S. military and intelligence capabilities and requirements. As Associate Director of Central Intelligence for Military Support, I acquired an advanced understanding of U.S. national intelligence capabilities, and was a senior consumer of intelligence as a National Security Council staff member, and as Commander-in-Chief of the U.S. Pacific Command – a position formally recognized as a primary recipient of the national intelligence products generated by the U.S. national intelligence community.

11. HONORS AND AWARDS (PROVIDE INFORMATION ON SCHOLARSHIPS, FELLOWSHIPS, HONORARY DEGREES, MILITARY DECORATIONS,

CIVILIAN SERVICE CITATIONS, OR ANY OTHER SPECIAL RECOGNITION FOR OUTSTANDING PERFORMANCE OR ACHIEVEMENT):

White House Fellow, 1975-6
 Defense Distinguished Service Medal with three oak leaf clusters
 National Intelligence Distinguished Service Medal (twice)
 Defense Superior Service Medal
 Legion of Merit
 Meritorious Service Medal
 Navy Commendation Medal
 Navy Achievement Medal
 National Defense Service Medal with one star

I also received decorations from the governments of Japan, the Republic of Korea, Australia, Thailand, and Taiwan.

12. ORGANIZATIONAL AFFILIATIONS (LIST MEMBERSHIPS IN AND OFFICES HELD WITHIN THE LAST TEN YEARS IN ANY PROFESSIONAL, CIVIC, FRATERNAL, BUSINESS, SCHOLARLY, CULTURAL, CHARITABLE, OR OTHER SIMILAR ORGANIZATIONS):

Including the businesses and other organizations mentioned in the sections above, I have been affiliated with:

Trilateral Commission - 2003 to present
 Chaîne de Rotisseurs - Food and wine society - 2001 to present
 Clear Lake Fishing Club - 2006 to present
 Army Navy Country Club - 2002 to present
 Allen Glen Association - Neighborhood association - 2007 to present
 Society of the Cincinnati – educational and social organization, 1992 (est.) to present

13. PUBLISHED WRITINGS AND SPEECHES (LIST THE TITLES, PUBLISHERS, AND PUBLICATION DATES OF ANY BOOKS, ARTICLES, REPORTS OR OTHER PUBLISHED MATERIALS YOU HAVE AUTHORED. ALSO LIST ANY PUBLIC SPEECHES YOU HAVE MADE WITHIN THE LAST TEN YEARS FOR WHICH THERE IS A TEXT OR TRANSCRIPT. TO THE EXTENT POSSIBLE, PLEASE PROVIDE A COPY OF EACH SUCH PUBLICATION, TEXT OR TRANSCRIPT):

Congressional Testimony:

Testimony on the FY 2000 Posture Statement, before the House Armed Services Committee (HASC), March 3, 1999, available at

<http://www.pacom.mil/speeches/sst1999/hasc-s.htm>. Transcript available at <http://www.pacom.mil/speeches/sst1999/hasc-t.htm>.

Testimony on the FY 2000 Posture Statement, before the Senate Armed Services Committee (SASC), March 4, 1999, available at <http://armed-services.senate.gov/statemnt/1999/990304db.pdf>.

Testimony on the FY 2001 Posture Statement, before the SASC, March 7, 2000, available at <http://armed-services.senate.gov/statemnt/2000/000307db.pdf>.

Testimony on the FY 2001 Posture Statement, before the HASC, March 15, 2000, available at <http://www.pacom.mil/speeches/sst2000/housetest.htm>.

Testimony on the FY 2002 Posture Statement, before the SASC, March 27, 2001, available at <http://armed-services.senate.gov/statemnt/2001/010327db.pdf>.

Testimony on U.S. Pacific Command Posture, before the SASC, March 5, 2002, available at <http://armed-services.senate.gov/statemnt/2002/Blair.pdf>.

Testimony on intelligence reform legislation, before the Senate Appropriations Subcommittee on Defense, Fall 2004.

“A New U.S. Grand Strategy,” Testimony before the House Armed Services Subcommittee on Oversight and Investigations, 31 July 2008, available at http://armedservices.house.gov/pdfs/OI073108/Blair_Testimony073108.pdf.

Major Speeches and Transcribed Remarks as Commander-in-Chief, U.S. Pacific Command:

1999 (all available at <http://www.pacom.mil/speeches/sst1999/99speeches.shtml>).

U.S. Pacific Command International Military Operations and Law Conference, February 22, 1999

“Collective Responsibilities for Security in the Asia-Pacific Region,” Remarks at the Institute for Defense and Strategic Studies, Singapore, May 22, 1999

Institute of Strategic and International Studies, Kuala Lumpur, Malaysia, September 8, 1999

2000 (all available at <http://www.pacom.mil/speeches/sst2000/00speeches.shtml>).

Carnegie International Non-Proliferation Conference, Washington D.C., March 16, 2000

Pacific Basin Economic Council, Honolulu, HI, March 21, 2000

Graduate School of International Relations & Pacific Studies, Dean's Roundtable Breakfast, San Diego, CA, April 13, 2000

World Affairs Council, Anchorage, AK, June 25, 2000

Dedication of the Luther W. Jones Wing at the Joint Typhoon Warning Center, Pearl Harbor, HI, July 7, 2000

Military Child Annual Conference, San Diego, CA, July 19, 2000

The Role of Armed Forces in Regional Security Cooperation, Senior Policy, Seminar, East-West Center, Honolulu, HI, August 8, 2000

Pacific Air Chiefs Conference, Hickam AFB, HI, August 21, 2000

Asian-Pacific Americans Medal of Honor Commemoration Ceremony, Honolulu, HI, August 25, 2000

USS *Missouri* Memorial Association Ceremony Honoring the End of World War II, Ford Island, HI, September 2, 2000

Industrial College of the Armed Forces, Washington, D.C., October 11, 2000

"Enhancing Regional Security Cooperation," Asia Society, New York, October 19, 2000

Governor's Veterans Day Ceremony, Kaneohe, HI, November 11, 2000

"Asia-Pacific Security in the 21st Century," Asia Society, Melbourne, Australia, November 15, 2000

Royal United Services Institute, Canberra, Australia, November 16, 2000

"Asia-Pacific Security in the 21st Century," Rotary Club of Seattle, WA, December 6, 2000

Commemoration of Attack on Pearl Harbor, USS *Arizona* Memorial, Pearl Harbor, HI, December 7, 2000

TechNet Asia-Pacific 2000 Conference, Royal Hawaiian Hotel, Waikiki, HI, December 7, 2000

2001 (all available at <http://www.pacom.mil/speeches/sst2001/01speeches.shtml>)

Press Conference, Kuala Lumpur, Malaysia, January 11, 2001

Press Conference, Camp H. M. Smith, HI, February 12, 2001

Press Conference, Beijing, People's Republic of China, March 15, 2001

Press Conference, Seoul, Korea, March 20, 2001

Roundtable with Japanese Journalists, Tokyo American Club, Tokyo, Japan, March 23, 2001

U.S. and Chinese Aircraft Incident, Camp H. M. Smith, HI, April 1, 2001

Media Roundtable with Adm. Blair, Bangkok, Thailand, May 16, 2001

Media Roundtable with Adm. Blair, Singapore, May 18, 2001

Joint Press Conference, Vladivostok, Russia, June 21, 2001

Media Availability Exercise Kernel Blitz, on board USS *Coronado*, June 23, 2001

Media Availability with Adm. Blair, Dhaka, Bangladesh, July 8, 2001

Media Roundtable with Adm. Blair, Colombo, Sri Lanka, July 10, 2001

Press Conference with Adm. Blair and Gen. Villanueva, Manila, Philippines, July 13, 2001

Adm. Blair meeting with Okinawa Governor Inamine with News Media Attending, Okinawa, Japan, July 16, 2001

Remarks with Questions and Answers to the Foreign Correspondents Club of Japan, Tokyo, Japan, July 19, 2001

Media Roundtable with Senior Japanese Editors, Tokyo, Japan, July 19, 2001

Remarks with Questions and Answers to a Media Roundtable in Canberra, Australia, July 31, 2001

Interview NHK Television, Japan, October 24, 2001

Interview with *Singapore Straits Times*, October 25, 2001

Interview with *Times of India*, October 25, 2001

Media Briefing with General Vilanueva, Chief of Staff of the Armed Forces of the Philippines (AFP) and Lieutenant General Cimatu, Commander, Southern Command, November 14, 2001

Press Roundtable, Bangkok, Thailand, November 16, 2001

Press Roundtable, Kuala Lumpur, Malaysia, November 21, 2001

BBC Interview, Jakarta, Indonesia, November 27, 2001

Journalists Roundtable, Jakarta, Indonesia, November 27, 2001

National Resiliency Institute, Jakarta, Indonesia, November 27, 2001

Confederation of Indian Industries, New Delhi, India, November 29, 2001

Press Conference, New Delhi, India, November 29, 2001

Interview with Maria Ressa, CNN Jakarta Bureau Chief, Singapore, December 1, 2001

Interview with Barry Wain, *Asian Wall Street Journal* & Michael Richardson, *International Herald Tribune*, December 1, 2001

Adm. Blair on Public Broadcasting System's *NewsHour with Jim Lehrer*, December 19, 2001

2002 (all available at <http://www.pacom.mil/speeches/sst2002/02speeches.shtml>).

Interview with National Public Radio's "Morning Edition with Bob Edwards," January 7, 2002

Interview with Southeast Asia Channel News Asia Television Network, January 28, 2002

Media Roundtable, Singapore, January 29, 2002

Joint Press Conference chaired by the Deputy Prime Minister and Minister for Defence, Dr. Tony Tan, and Admiral Blair, Singapore, January 29, 2002

Joint Press Conference, Kota Kinabalu, Malaysia, January 31, 2002

Media Roundtable, Hanoi, Vietnam, February 2, 2002

Media Roundtable, Tokyo, Japan, February 4, 2002

Interview with CNN Tokyo Bureau, February 4, 2002

Interview with NHK Television, Tokyo, Japan, February 5, 2002

Council on Foreign Relations, News Media Attending-On the record,
March 21, 2002

Interview with CNN's "American Morning with Paula Zahn", March 22,
2002

Interview with *Honolulu Star Bulletin*, Honolulu, HI, March 29, 2002

Interview with CNN, Manila, Philippines, April 16, 2002

Press conference, Zamboanga City, Philippines, April 17, 2002

Asia Society, News Media Attending, Hong Kong, April 18, 2002

Media Roundtable, Hong Kong, April 19, 2002

Publications as Commander-in-Chief, U.S. Pacific Command:

"From Wheels to Webs: Reconstructing Asia-Pacific Security Arrangements," co-author with John T. Hanley, Jr., *The Washington Quarterly*, Volume 24, Number 1, Winter 2001, available at <http://www.twq.com/winter01/blair.pdf>.

"We Can Fix Acquisition," *Proceedings* (U.S. Naval Institute), May 2002, available at http://www.military.com/NewContent/0,13190,NI_Acquisition,00.html.

Publications Since Retirement:

"A Multicultural Military," op-ed co-authored with Joe Reeder, *Washington Post*, March 22, 2003, available at <http://aad.english.ucsb.edu/docs/mcmilitary5.html>.

Indonesia Commission: Peace and Progress in Papua, report of Council on Foreign Relations Center for Preventive Action commission chaired by Admiral Blair, May 2003, available at http://www.cfr.org/content/publications/attachments/Indonesia_Commission.pdf.

"Autonomy Will Keep Indonesia Together," op-ed with David L. Phillips, *International Herald Tribune*, May 13, 2003, available at

http://www.cfr.org/publication/5963/autonomy_will_keep_indonesia_together.html.

“The April 2001 EP-3 Incident: The U.S. Point of View,” chapter with David C. Bonfili, in *Managing Sino-American Crises: Case Studies and Analysis* (Carnegie Endowment for International Peace, 2006), available via <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=18899&prog=zch>.

“Engaging the New China,” op-ed with Carla A. Hills, *International Herald Tribune*, April 26, 2007, available at http://www.cfr.org/publication/13205/engaging_the_new_china.html.

“What To Do About China,” op-ed in *Ottawa Citizen*, April 28, 2007, also available at http://www.cfr.org/publication/13277/what_to_do_about_china.html.

U.S.-China Relations: An Affirmative Agenda, a Responsible Course, report of the Council on Foreign Relations Independent Task Force on U.S. Policy Toward China, co-chaired by Admiral Blair and Carla A. Hills, April 2007, available at http://www.cfr.org/publication/12985/uschina_relations.html. I also participated in a related press briefing and CFR meeting with Judy Woodruff on April 10, the transcripts of which are available at http://www.cfr.org/bios/9626/dennis_c_blair.html.

“Smooth Sailing: the World’s Shipping Lanes Are Safe,” *Foreign Affairs*, May/June 2007, available at http://www.cfr.org/publication/13186/smooth_sailing.html.

“Military Power Projection in Asia,” chapter in *Strategic Asia 2008-09* (National Bureau of Asian Research, 2008), executive summary available at <http://www.nbr.org/publications/chapter.aspx?ID=530>.

Forging a New Shield, report of the Project on National Security Reform, November 2008 (I served as Deputy Executive Director of the Project), executive summary available at <http://www.scribd.com/doc/8664044/PNSR-Forging-a-New-Shield-Executive-Summary>. I also participated in the press announcement of this study, a video clip of which is available at <http://www.youtube.com/watch?v=eLcSiUVTCgk>.

PART B – QUALIFICATIONS

14. QUALIFICATIONS (DESCRIBE WHY YOU BELIEVE YOU ARE QUALIFIED TO SERVE IN THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED):

The National Security Act of 1947, as amended, specifies that any individual nominated for appointment as Director of National Intelligence shall have extensive national security expertise. I have served in national security positions or worked closely with national security institutions for forty years. As a naval officer I served as a consumer of both military and national intelligence as Commanding Officer of the destroyer U.S.S. *Cochrane*, Commander of the U.S.S. *Kitty Hawk* battle group, a National Security Council staff member, and Director of the Joint Staff. I had a central role in the intelligence production and IC management processes as Associate Director of Central Intelligence for Military Support. In this position I worked to integrate military and national intelligence to support all levels of national security decision-makers from the President to troops in the field. As Commander-in-Chief, U.S. Pacific Command, I served at the intersection of national and military intelligence, and led operations that combined military capabilities with intelligence community capabilities in the common campaign against fundamentalist Muslim terrorist groups. After I retired from the Navy in 2002, I remained involved in the national security field and worked on the role of intelligence. For three years I was President and CEO of the Institute for Defense Analyses (IDA), a federally-funded research and development center. During that time I helped craft a proposed vision for the science and technology directorate of the Central Intelligence Agency, and I worked with the newly established intelligence directorate at the Homeland Security Department. I remained engaged in intelligence issues affecting major defense policies as a senior advisor to the Missile Defense Agency, U.S. Strategic Command, and the U.S. Northern Command. I have worked with the Office of the Director of National Intelligence directly as an advisor to the North Korea Mission Manager. Finally, in the private sector I have learned about open source capabilities and private sector skills that can be used by the intelligence community - as deputy director of the Project on National Security Reform, as a fellow at the National Bureau of Asian Research, and as a corporate board member.

PART C – POLITICAL AND FOREIGN AFFILIATIONS

15. POLITICAL ACTIVITIES (LIST ANY MEMBERSHIPS OR OFFICES HELD IN OR FINANCIAL CONTRIBUTIONS OR SERVICES RENDERED TO, ANY POLITICAL PARTY, ELECTION COMMITTEE, POLITICAL ACTION COMMITTEE, OR INDIVIDUAL CANDIDATE DURING THE LAST TEN YEARS):

I contributed \$500 to Tyco's PAC in 2007, and \$500 to Congressman Rangel in 2007. I contributed \$500 to Thomas Allen, a longtime friend and Democratic candidate for Senate in Maine in 2008.

16. CANDIDACY FOR PUBLIC OFFICE (FURNISH DETAILS OF ANY CANDIDACY FOR ELECTIVE OFFICE):

None.

17. FOREIGN AFFILIATIONS

(NOTE: QUESTIONS 17A AND B ARE NOT LIMITED TO RELATIONSHIPS REQUIRING REGISTRATION UNDER THE FOREIGN AGENTS REGISTRATION ACT. QUESTIONS 17A, B, AND C DO NOT CALL FOR A POSITIVE RESPONSE IF THE REPRESENTATION OR TRANSACTION WAS AUTHORIZED BY THE UNITED STATES GOVERNMENT IN CONNECTION WITH YOUR SPOUSE'S EMPLOYMENT IN GOVERNMENT SERVICE.)

- A. HAVE YOU OR YOUR SPOUSE EVER REPRESENTED IN ANY CAPACITY (E.G., EMPLOYEE, ATTORNEY, OR POLITICAL / BUSINESS CONSULTANT), WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

The answer is no, but in the interest of disclosure I would mention that when I was stationed in Yokosuka, Japan, from 1984-86, my wife worked as an English teacher in several Japanese schools and taught private students. But I do not believe it would be fair to say that as a teacher she "represented" a foreign-controlled entity.

- B. HAVE ANY OF YOUR OR YOUR SPOUSE'S ASSOCIATES REPRESENTED, IN ANY CAPACITY, WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

No.

- C. DURING THE PAST TEN YEARS, HAVE YOU OR YOUR SPOUSE RECEIVED ANY COMPENSATION FROM, OR BEEN INVOLVED IN ANY FINANCIAL OR BUSINESS TRANSACTIONS WITH, A FOREIGN GOVERNMENT OR ANY ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE PROVIDE DETAILS.

No.

- D. HAVE YOU OR YOUR SPOUSE EVER REGISTERED UNDER THE FOREIGN AGENTS REGISTRATION ACT? IF SO, PLEASE PROVIDE DETAILS.

No.

18. DESCRIBE ANY LOBBYING ACTIVITY DURING THE PAST TEN YEARS, OTHER THAN IN AN OFFICIAL U.S. GOVERNMENT CAPACITY, IN WHICH YOU OR YOUR SPOUSE HAVE ENGAGED FOR THE PURPOSE OF DIRECTLY OR INDIRECTLY INFLUENCING THE PASSAGE, DEFEAT, OR MODIFICATION OF FEDERAL LEGISLATION, OR FOR THE PURPOSE OF AFFECTING THE ADMINISTRATION AND EXECUTION OF FEDERAL LAW OR PUBLIC POLICY.

I have never been a registered lobbyist nor engaged in lobbying within the meaning of the Lobbying Disclosure Act.

Please see my response to Question 13 above, where I mention congressional testimony. Additionally, since I joined the Energy Security Leadership Council (unpaid) in June 2006, I testified before and met with Members of Congress in support of legislation to increase American energy independence. Finally, as Deputy Executive Director since about June of 2006 of the Project on National Security Reform, a congressionally-funded commission, I have discussed improvements to our government's national security institutions and processes with members of Congress and their staffs. The Project released its report in November 2008.

PART D – FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

19. DESCRIBE ANY EMPLOYMENT, BUSINESS RELATIONSHIP, FINANCIAL TRANSACTION OR ACTIVITY (INCLUDING, BUT NOT LIMITED TO, DEALINGS WITH THE FEDERAL GOVERNMENT ON YOUR OWN BEHALF OR ON BEHALF OF A CLIENT), WHICH COULD CREATE, OR APPEAR TO CREATE, A CONFLICT OF INTEREST IN THE POSITION TO WHICH YOU HAVE BEEN NOMINATED.

None.

20. DO YOU INTEND TO SEVER ALL BUSINESS CONNECTIONS WITH YOUR PRESENT EMPLOYERS, FIRMS, BUSINESS ASSOCIATES AND/OR PARTNERSHIPS OR OTHER ORGANIZATIONS IN THE EVENT THAT YOU ARE CONFIRMED BY THE SENATE? IF NOT, PLEASE EXPLAIN.

In connection with the nomination process, I have consulted with the Office of Government Ethics (OGE) and the Office of the Director of National Intelligence's (ODNI's) designated agency ethics official to identify any potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the ODNI's designated agency ethics official.

21. DESCRIBE THE FINANCIAL ARRANGEMENTS YOU HAVE MADE OR PLAN TO MAKE, IF YOU ARE CONFIRMED, IN CONNECTION WITH SEVERENCE FROM YOUR CURRENT POSITION. PLEASE INCLUDE SEVERENCE PAY, PENSION RIGHTS, STOCK OPTIONS, DEFERRED INCOME ARRANGEMENTS AND ANY AND ALL COMPENSATION THAT WILL OR MIGHT BE RECEIVED IN THE FUTURE AS A RESULT OF YOUR CURRENT BUSINESS OR PROFESSIONAL RELATIONSHIPS.

In connection with the nomination process, I have consulted with the OGE and the ODNI's designated agency ethics official to identify any potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the ODNI's designated agency ethics official.

As indicated on Schedule C-II of the SF278 form I filed with the OGE, presently my intentions are as follows:

- To continue to participate in TIAA-CREF 403b plan; no further contributions from employer.
- To continue to participate in Vanguard defined contribution plan; no contribution from employer.
- Tyco Deferred Stock Units will be converted to stock within 30 days of terminating from Tyco, pursuant to company plan.
- If so advised by OGE, I will divest my vested Covidien and Tyco Electronics stock options.

22. DO YOU HAVE ANY PLANS, COMMITMENTS, OR AGREEMENTS TO PURSUE OUTSIDE EMPLOYMENT, WITH OR WITHOUT COMPENSATION, DURING YOUR SERVICE WITH THE GOVERNMENT? IF SO, PLEASE PROVIDE DETAILS.

No.

23. AS FAR AS CAN BE FORESEEN, STATE YOUR PLANS AFTER COMPLETING GOVERNMENT SERVICE. PLEASE SPECIFICALLY DESCRIBE ANY AGREEMENTS OR UNDERSTANDINGS, WRITTEN OR UNWRITTEN, CONCERNING EMPLOYMENT AFTER LEAVING GOVERNMENT SERVICE. IN PARTICULAR, DESCRIBE ANY AGREEMENTS, UNDERSTANDINGS OR OPTIONS TO RETURN TO YOUR CURRENT POSITION.

My plans are to enjoy my retirement. I have no understandings with any party about any future employment after my service as Director of National Intelligence, if confirmed.

24. IF YOU ARE PRESENTLY IN GOVERNMENT SERVICE, DURING THE PAST FIVE YEARS OF SUCH SERVICE, HAVE YOU RECEIVED FROM A PERSON OUTSIDE OF GOVERNMENT AN OFFER OR EXPRESSION OF INTEREST TO EMPLOY YOUR SERVICES AFTER YOU LEAVE GOVERNMENT SERVICE? IF YES, PLEASE PROVIDE DETAILS.

No.

25. IS YOUR SPOUSE EMPLOYED? IF YES AND THE NATURE OF THIS EMPLOYMENT IS RELATED IN ANY WAY TO THE POSITION FOR WHICH YOU ARE SEEKING CONFIRMATION, PLEASE INDICATE YOUR SPOUSE'S EMPLOYER, THE POSITION AND THE LENGTH OF TIME THE POSITION HAS BEEN HELD. IF YOUR SPOUSE'S EMPLOYMENT IS NOT RELATED TO THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED, PLEASE SO STATE.

My wife is not currently employed outside the home.

26. LIST BELOW ALL CORPORATIONS, PARTNERSHIPS, FOUNDATIONS, TRUSTS, OR OTHER ENTITIES TOWARD WHICH YOU OR YOUR SPOUSE HAVE FIDUCIARY OBLIGATIONS OR IN WHICH YOU OR YOUR SPOUSE HAVE HELD DIRECTORSHIPS OR OTHER POSITIONS OF TRUST DURING THE PAST FIVE YEARS.

I held directorships or other positions of trust in the following organizations:

Institute for Defense Analyses, Alexandria, VA
 Senior Fellow, October 2002 to November 2003
 President and CEO, November 2003 to September 2006
 Consultant, September 2006 to present
 EDO Corporation, Director, New York, NY, October 2002 to July 2006
 Tyco International, Director, Hamilton, Bermuda, March 2003 to present
 Iridium Satellite LLC, Director, Bethesda, MD, May 2007 to present
 Dickinson College and the Army War College, General of the Army Omar N. Bradley Chair in Strategic Leadership, Carlisle, PA, August 2007 to May 2008
 National Bureau of Asian Research, John M. Shalikashvili Chair in National Security Studies, Washington, D.C., September, 2007 to present.
 Saint Andrew's School – Trustee, January 2006 to present
 DCB Associates, Consultant Firm – President, January 2007 to present
 National Committee on US-China Relations - Member of Executive Committee,

January 2006 to present
 US-China Policy Foundation – Executive Board Member, January 2006 to present
 Institute for the Study of Diplomacy – Director, January 2006 to present
 Center for a New American Security – Director, January 2006 to present
 Project on National Security Reform – Deputy Executive Director, September
 2005 to present

27. LIST ALL GIFTS EXCEEDING \$100 IN VALUE RECEIVED DURING THE PAST FIVE YEARS BY YOU, YOUR SPOUSE, OR YOUR DEPENDENTS (NOTE: GIFTS RECEIVED FROM RELATIVES AND GIFTS GIVEN TO YOUR SPOUSE OR DEPENDENT NEED NOT BE INCLUDED UNLESS THE GIFT WAS GIVEN WITH YOUR KNOWLEDGE AND ACQUIESCENCE AND YOU HAD REASON TO BELIEVE THE GIFT WAS GIVEN BECAUSE OF YOUR OFFICIAL POSITION.)

I have received courtesy gifts from Taiwanese officials when I visited Taiwan in recent years as Senior Observer for U.S. Pacific Command. Most of these gifts were of nominal value; however it is possible that some of the gifts may have exceeded \$100, including: a putter, a vase, and several pieces of "titot" glass. These are my best recollection of the gifts I received, but I have not kept a list.

28. LIST ALL SECURITIES, REAL PROPERTY, PARTNERSHIP INTERESTS, OR OTHER INVESTMENTS OR RECEIVABLES WITH A CURRENT MARKET VALUE (OR IF MARKET VALUE IS NOT ASCERTAINABLE, ESTIMATED CURRENT FAIR VALUE) IN EXCESS OF \$1,000. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE A OF THE DISCLOSURE FORMS OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CURRENT VALUATIONS ARE USED.)

<u>DESCRIPTION OF PROPERTY</u>	<u>VALUE</u>	<u>VALUATION METHOD</u>
Real Property [REDACTED]	land and house worth \$2 million	approximate total of cost of land purchase and construction costs
East Hundred Family Trust (residential rental property), Charlottesville, VA	\$500,000 total, of which I own 20%	estimate of current value
Vacation home in [REDACTED] NY	\$300,000	estimate of current value

Additionally, I incorporate by reference Schedule A of the SF278 "Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT" I have completed, in particular as it relates to the non-real property assets listed.

29. LIST ALL LOANS OR OTHER INDEBTEDNESS (INCLUDING ANY CONTINGENT LIABILITIES) IN EXCESS OF \$10,000. EXCLUDE A MORTGAGE ON YOUR PERSONAL RESIDENCE UNLESS IT IS RENTED OUT, AND LOANS SECURED BY AUTOMOBILES, HOUSEHOLD FURNITURE, OR APPLIANCES. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE C OF THE DISCLOSURE FORM OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CONTINGENT LIABILITIES ARE ALSO INCLUDED.)

<u>NATURE OF OBLIGATION</u>	<u>NAME OF OBLIGEE</u>	<u>AMOUNT</u>
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None.

30. ARE YOU OR YOUR SPOUSE NOW IN DEFAULT ON ANY LOAN, DEBT, OR OTHER FINANCIAL OBLIGATION? HAVE YOU OR YOUR SPOUSE BEEN IN DEFAULT ON ANY LOAN, DEBT, OR OTHER FINANCIAL OBLIGATION IN THE PAST TEN YEARS? HAVE YOU OR YOUR SPOUSE EVER BEEN REFUSED CREDIT OR HAD A LOAN APPLICATION DENIED? IF THE ANSWER TO ANY OF THESE QUESTIONS IS YES, PLEASE PROVIDE DETAILS.

No.

31. LIST THE SPECIFIC SOURCES AND AMOUNTS OF ALL INCOME RECEIVED DURING THE LAST FIVE YEARS, INCLUDING ALL SALARIES, FEES, DIVIDENDS, INTEREST, GIFTS, RENTS, ROYALTIES, PATENTS, HONORARIA, AND OTHER ITEMS EXCEEDING \$200. (COPIES OF U.S. INCOME TAX RETURNS FOR THESE YEARS MAY BE SUBMITTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

	2008	2007	2006	2005	2004
SALARIES					
FEES					
ROYALTIES					
DIVIDENDS					
INTEREST					

[REDACTED]

GIFTS

RENTS

[REDACTED]

OTHER:

Business Income

Tax Refunds

Capital Gains

Pension

TOTAL

Note that the 2008 figures are my best estimate. The actual numbers may be slightly different when I receive my W-2s and other paperwork.

32. IF ASKED, WILL YOU PROVIDE THE COMMITTEE WITH COPIES OF YOUR AND YOUR SPOUSE'S FEDERAL INCOME TAX RETURNS FOR THE PAST THREE YEARS?

Yes. My wife and I file jointly.

33. LIST ALL JURISDICTIONS IN WHICH YOU AND YOUR SPOUSE FILE ANNUAL INCOME TAX RETURNS.

Pennsylvania.

34. HAVE YOUR FEDERAL OR STATE TAX RETURNS BEEN THE SUBJECT OF AN AUDIT, INVESTIGATION OR INQUIRY AT ANY TIME? IF SO, PLEASE PROVIDE DETAILS, INCLUDING THE RESULT OF ANY SUCH PROCEEDING.

Not to my knowledge.

35. IF YOU ARE AN ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL, PLEASE LIST ALL CLIENTS AND CUSTOMERS WHOM YOU BILLED MORE THAN \$200 WORTH OF SERVICES DURING THE PAST FIVE YEARS. ALSO, LIST ALL JURISDICTIONS IN WHICH YOU ARE LICENSED TO PRACTICE.

n/a

36. DO YOU INTEND TO PLACE YOUR FINANCIAL HOLDINGS AND THOSE OF YOUR SPOUSE AND DEPENDENT MEMBERS OF YOUR IMMEDIATE HOUSEHOLD IN A BLIND TRUST? IF YES, PLEASE FURNISH DETAILS. IF NO, DESCRIBE OTHER ARRANGEMENTS FOR AVOIDING ANY POTENTIAL CONFLICTS OF INTEREST.

No.

37. IF APPLICABLE, ATTACH THE LAST THREE YEARS OF ANNUAL FINANCIAL DISCLOSURE FORMS YOU HAVE BEEN REQUIRED TO FILE WITH YOUR AGENCY, DEPARTMENT, OR BRANCH OF GOVERNMENT.

Attached are recent disclosure forms I submitted related to my service on Department of Defense Advisory Committees.

PART E – ETHICAL MATTERS

38. HAVE YOU EVER BEEN THE SUBJECT OF A DISCIPLINARY PROCEEDING OR CITED FOR A BREACH OF ETHICS OR UNPROFESSIONAL CONDUCT BY, OR BEEN THE SUBJECT OF A COMPLAINT TO, ANY COURT, ADMINISTRATIVE AGENCY, PROFESSIONAL ASSOCIATION, DISCIPLINARY COMMITTEE OR OTHER PROFESSIONAL GROUP? IF SO, PROVIDE DETAILS.

I have been the subject of two complaints to the DoD Office of the Inspector General (OIG).

First, in about 2000, when I was Commander-in-Chief, U.S. Pacific Command, there was an anonymous complaint that I was misusing the mess specialists assigned to my quarters. Evidently, someone contacted the OIG after observing an enlisted aide and his son walking my dog, not knowing that I had hired the aide's son to do so. The OIG sent a representative who found the original allegation groundless but nevertheless conducted a wide-ranging investigation, asking those in my command about unusual or potentially inappropriate use of staff or resources on my part. The investigator's report cited about 10 cases, all minor. For example, the investigator concluded that I had authorized the purchase of flower planters that were too expensive, and should not have accepted the (voluntary) help of mess specialists in carrying a hot tub at my home and helping me load a kayak onto my car before I went on vacation. I submitted written responses to each of the items in the report. A year later, the Secretary of the Navy met with me for a formal counseling session, gave me a personal reprimand and instructed that in the future I avoid the actions mentioned in the report.

Second, in December 2006, DoD's OIG concluded that I violated conflict of interest rules in 2005 and 2006 while serving as President of the Institute for Defense Analysis, because I had failed to recuse myself (as required by IDA's DoD-approved employee policies) from two IDA cost analyses of the F-22 fighter. Recusal was required, the OIG determined, because I was then a director and shareholder of two subcontractors on the project, Tyco and EDO Corporation.

My failure to recuse myself was a serious mistake not only because it cast doubt on the results of the study; it also damaged my personal reputation for high integrity, a reputation I built over thirty-four years of naval service, and on which I place the very highest value.

I had not recused myself from these studies because they were technical, parametric cost analyses of F-22 aircraft, individually and as part of multi-year procurements. As the inspector general's report confirmed, these studies had no effect on the quantity of F-22 aircraft purchased, and therefore no effects on the revenue, profits or stock prices of EDO or Tyco. In addition, the subcontracts by both companies were very small as percentages of those companies' annual revenues and as parts of the F-22 contracts.

The OIG concluded that I did not influence, or try to influence, the substance of IDA's work, had minimal involvement in the first cost estimate, and had no involvement in the second, which was the more controversial of the two. Further, I had properly disclosed annually to IDA my interests in the two companies. As President of IDA, I was concerned only that the studies on such a controversial program be thorough, accurate and of high quality.

I now appreciate that decisions on potential conflicts of interest like this one should be referred to counsel under an established process. The lack of such a process at IDA was a serious handicap I should have recognized and corrected. I initiated these corrective formal procedures before I left IDA, and they are now in place.

For the past two years this incident has caused me great personal regret, public embarrassment, and has forged a determination never to put myself in a similar position again. If confirmed I will be acutely aware of potential conflicts of interests as well as the appearance of such conflicts, and will follow established procedures for avoiding them, involving full consultation with my general counsel and unswerving adherence to established regulations and procedures.

39. HAVE YOU EVER BEEN INVESTIGATED, HELD, ARRESTED, OR CHARGED BY ANY FEDERAL, STATE, OR OTHER LAW ENFORCEMENT AUTHORITY FOR VIOLATION OF ANY FEDERAL, STATE, COUNTY, OR MUNICIPAL LAW, REGULATION, OR ORDINANCE, OTHER THAN A MINOR TRAFFIC OFFENSE, OR NAMED AS A DEFENDANT OR OTHERWISE IN ANY INDICTMENT OR INFORMATION RELATING TO SUCH VIOLATION? IF SO, PROVIDE DETAILS.

No, except as described in the response to Question 38.

40. HAVE YOU EVER BEEN CONVICTED OF OR ENTERED A PLEA OF GUILTY OR NOLO CONTENDERE TO ANY CRIMINAL VIOLATION OTHER THAN A MINOR TRAFFIC OFFENSE? IF SO, PROVIDE DETAILS.

No.

41. ARE YOU PRESENTLY OR HAVE YOU EVER BEEN A PARTY IN INTEREST IN ANY ADMINISTRATIVE AGENCY PROCEEDING OR CIVIL LITIGATION? IF SO, PLEASE PROVIDE DETAILS.

See response to Question 38.

42. HAVE YOU BEEN INTERVIEWED OR ASKED TO SUPPLY ANY INFORMATION AS A WITNESS OR OTHERWISE IN CONNECTION WITH ANY CONGRESSIONAL INVESTIGATION, FEDERAL OR STATE AGENCY PROCEEDING, GRAND JURY INVESTIGATION, OR CRIMINAL OR CIVIL LITIGATION IN THE PAST TEN YEARS? IF SO, PROVIDE DETAILS.

No, except as described in the response to Question 38.

43. HAS ANY BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER, DIRECTOR, OR PARTNER BEEN A PARTY TO ANY ADMINISTRATIVE AGENCY PROCEEDING OR CRIMINAL OR CIVIL LITIGATION RELEVANT TO THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED? IF SO, PROVIDE DETAILS. (WITH RESPECT TO A BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER, YOU NEED ONLY CONSIDER PROCEEDINGS AND LITIGATION THAT OCCURRED WHILE YOU WERE AN OFFICER OF THAT BUSINESS.)

No.

44. HAVE YOU EVER BEEN THE SUBJECT OF ANY INSPECTOR GENERAL INVESTIGATION? IF SO, PROVIDE DETAILS.

See response to Question 38.

PART F – SECURITY INFORMATION

45. HAVE YOU EVER BEEN DENIED ANY SECURITY CLEARANCE OR ACCESS TO CLASSIFIED INFORMATION FOR ANY REASON? IF YES, PLEASE EXPLAIN IN DETAIL.

No.

46. HAVE YOU BEEN REQUIRED TO TAKE A POLYGRAPH EXAMINATION FOR ANY SECURITY CLEARANCE OR ACCESS TO CLASSIFIED INFORMATION? IF YES, PLEASE EXPLAIN.

Yes, twice: first in 1995, when I served as Associate Director of Central Intelligence, and again around 2004, when I was President and CEO of IDA.

47. HAVE YOU EVER REFUSED TO SUBMIT TO A POLYGRAPH EXAMINATION? IF YES, PLEASE EXPLAIN.

No.

PART G – ADDITIONAL INFORMATION

48. DESCRIBE IN YOUR OWN WORDS THE CONCEPT OF CONGRESSIONAL OVERSIGHT OF U.S. INTELLIGENCE ACTIVITIES. IN PARTICULAR, CHARACTERIZE WHAT YOU BELIEVE TO BE THE OBLIGATIONS OF THE DIRECTOR OF NATIONAL INTELLIGENCE AND THE INTELLIGENCE COMMITTEES OF THE CONGRESS RESPECTIVELY IN THE OVERSIGHT PROCESS.

Congressional oversight of the intelligence community (IC) is of profound constitutional and practical importance. Together with the President's oversight and executive leadership of the IC, Congress's oversight and legislative direction are one of the very few ways the American people, through their elected representatives, remain informed and hold accountable those in the government who conduct activities that necessarily must be largely hidden from public view. Congressional oversight, carried out by the Senate Select Committee on Intelligence (SSCI) and House Permanent Select Committee on Intelligence (HPSCI) and the Armed Services and Appropriations Committees of the Senate and House, broadly embraces the IC's activities and its expenditure of public funds, which under the Constitution are available only by act of Congress. The work of these Congressional committees provides a process through which the activities and expenditures of the intelligence community are carried out under our Constitution. The Congress and President make decisions together, via legislation and consultation.

Several foundational pieces of legislation – including, among others, the National Security Act of 1947 as amended, the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, the covert action statute, and a series of intelligence authorization acts – delineate in formal terms the obligations of the Director of National Intelligence (DNI) in informing Congressional oversight of the IC. In practice, the relationship between Congress and the Executive Branch regarding intelligence has in recent years been unusually and regrettably plagued by controversy, distrust, and communication breakdowns.

President-Elect Obama has pledged to improve Congressional oversight and transparency, and it is my intention, if confirmed, to work to repair and enhance the working relationship between the IC leadership and the Congress. The President-Elect's senior IC leadership will regard Congress not as an adversary, but as a valued partner without which the IC cannot be as effective as our national security requires and as the American people expect. It has been my experience that the Members of oversight committees and their staffs have long and deep knowledge of national security matters. Their advice at the outset of important initiatives, and their assessments of the effectiveness and value of ongoing programs can be of significant benefit.

In the Obama Administration, the DNI as leader of the IC will work to ensure that IC responses to Congressional requests and concerns are timely, frank, and thorough. The DNI will work to ensure that IC analysis remains independent and speaks truth to power. Furthermore, the DNI will take a proactive approach to inform and consult with the intelligence committees. I look forward to working closely with the intelligence committees, whose wisdom, sustained interest, and engagement enhances our nation's intelligence capabilities.

49. EXPLAIN YOUR UNDERSTANDING OF THE RESPONSIBILITIES OF THE DIRECTOR OF NATIONAL INTELLIGENCE.

The legal authorities I reference in response to Question 48 that govern the DNI's responsibilities regarding Congressional oversight, together with Executive Orders and other administrative authorities, set out in some detail the DNI's job responsibilities. If confirmed, I will fully utilize the authorities of the position as I work to optimize the performance of the IC. I would emphasize in particular several points, keying off each of the words in the job title.

I will start with the last but most important word in the DNI's title, "Intelligence." If confirmed, my first responsibility will be to provide policymakers in the Executive and Legislative Branches factual information and timely, insightful, and independent analysis, so that they can make quality decisions about our nation's security. I will speak truth to power, and ensure that the IC's processes and analytical products are not tainted by agenda or bias. If confirmed by the Senate, I will also dedicate myself to restoring and enhancing the Congressional-IC relationship, and consult with this Committee so that the Intelligence Community can benefit from its wisdom and guidance.

The DNI has the authority for approval of major intelligence collection communication systems, the authority to formulate the National Intelligence Program (NIP) budget and the authority to approve the most senior positions in the IC and for promotion within the workforce. This gives him the responsibility for the future capability of the IC, which will depend on skilled people and effective systems. I will take this responsibility seriously so that future policymakers in both the Executive and Legislative branches have even better intelligence support than today's.

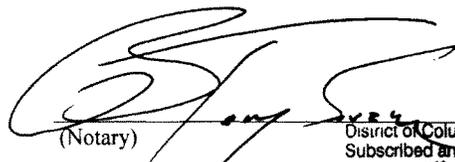
Second, the DNI is a "Director." The DNI is responsible for leading the outstanding men and women of the IC and managing the IC's sixteen agencies. It also means that the DNI provides community-wide direction to integrate the efforts of other senior IC officials with their specific, vital missions. Recognizing that the Office of the DNI was created in response to problems identified in the IC, I will work as DNI, if confirmed, to optimize the functioning of the new organizational structures Congress has created. I will also work to restore the proud reputation that long characterized America's intelligence agencies.

Finally, the term "National" in the DNI's title carries great significance. A core responsibility of the leader of the IC is to concentrate on the national mission – to provide intelligence to national policymakers as they work to advance America's national interests. If confirmed, I will take those national responsibilities very seriously, and I will look forward to – and indeed, depend upon – the guidance of the Congressional intelligence committees.

AFFIRMATION

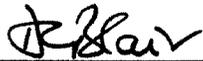
I, Dennis C. Blair, DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE ACCURATE AND COMPLETE.

15 Jan 09 _____
(Date) Dennis C. Blair
(Name)


(Notary)
District of Columbia : SS
Subscribed and Sworn to before me
this 15th day of January, 2009
B. Tony Snesko, Notary Public, D.C.
My Commission Expires December 14, 2011

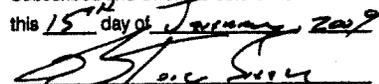
TO THE CHAIRMAN, SELECT COMMITTEE ON INTELLIGENCE:

In connection with my anticipated nomination to be Director of National Intelligence, I hereby express my willingness to respond to requests to appear and testify before any duly constituted committee of the Senate.



Signature

Date: 15 Jan 2009

District of Columbia : SS
Subscribed and Sworn to before me
this 15th day of January, 2009

B. Tony Snesko, Notary Public, D.C.
My commission expires December 14, 2011

SSCI# 2009 - 0492



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

January 12, 2009

The Honorable Dianne Feinstein
Chairman
Select Committee on Intelligence
United States Senate
Washington, DC 20510-6475

Dear Madam Chairwoman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Dennis C. Blair. President-elect Obama has announced his intention to nominate Admiral Blair for the position of Director of National Intelligence, Office of National Intelligence.

We have reviewed the report and have also obtained advice from the Office of the Director of National Intelligence concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated January 9, 2009, from Admiral Blair to the agency's ethics official, outlining the steps Admiral Blair will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with any action he agreed to take in his ethics agreement.

Based thereon, we believe that Admiral Blair is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Robert I. Cusick
Director

Enclosures

January 9, 2009

Ms. Corin R. Stone
Deputy General Counsel
and Designated Agency Ethics Official
Office of the Director of National Intelligence
2B-200 LXZ
Washington, DC 20511

Dear Ms. Stone:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Director of National Intelligence of the Office of National Intelligence.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my position on the board of directors of Tyco International, Ltd. (Tyco). Because I will continue to hold Tyco deferred stock units, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Tyco, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Upon confirmation, I will divest my vested stock options and stock in Tyco Electronics, Ltd., by exercising all such options and divesting all stock within 90 days of my confirmation. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Tyco Electronics, Ltd until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Within 90 days of my confirmation, I will divest my interests in the following entities: Hewlett Packard, General Electric, Verizon Communications, Intel, and Johnson and Johnson.

With regard to each of these entities, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I am the sole proprietor of a consulting corporation, which does business as DCB Associates, Inc. Upon confirmation, my DCB Associates, Inc. will cease engaging in any business for the duration of my appointment to the position of Director of National Intelligence. During my appointment to this position, this corporation will remain dormant and will not advertise. I will not perform any services for this corporation, except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain the corporation while it is in an inactive status. As Director, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of DCB Associates, Inc. In addition, I will not participate personally and substantially in any particular matter involving specific parties in which a former client of mine or DCB Associates, Inc., is a party or represents a party for a period of one year after I or DCB Associates, Inc., last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I will resign from my positions with the following entities: Institute for Defense Analyses; St. Andrew's School; International Institute for Strategic Studies; National Committee on U.S.-China Relations, U.S.-China Policy Foundation, Institute for the Study of Diplomacy; Iridium, LLC; Center for a New American Security; Energy Security Leadership Council; Project on National Security Reform; and Asia Society Policy Board. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Sincerely,



Dennis C. Blair

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Reporting Status (Check appropriate box) <input type="checkbox"/> Incumbent <input checked="" type="checkbox"/> New Entrant, Nominee, or Candidate		Calendar Year Covered by Report 2009	Termination Date (If Applicable) (Month, Day, Year) None	Termination Reason (If Applicable) None
Reporting Individual's Name Blair		First Name and Middle Initial Dennis C.		
Position for Which Filing Director of National Intelligence		Telephone No. (Indicate Area Code) 202 347 9787		
Location of Present Office (or forwarding address) The National Bureau of Asian Research, 1301 Pennsylvania Ave. NW, Suite 305, Washington, DC 20004		Title of Position(s) and Date(s) Held Special Government Employee - Department of Defense; Chairman, Missile Defense Advisory Committee, Member, Strategic Command Advisory Committee		
Presidential Nominee Subject to Senate Confirmation Senate Select Committee on Intelligence		Do You Intend to Create a Qualified Disqualified Trust? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Certification I CERTIFY that the statements I have made on this form and all attached supporting documents are true and correct to the best of my knowledge.		Signature of Reporting Individual [Signature]		
Other Review (If desired by agency) Agency Ethics Official's Opinion On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations with respect to any comments in the box below.		Signature of Other Reviewer [Signature]		
Office of Government Ethics Use Only Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)		Date (Month, Day, Year) 12 January 2009		
Signature of Reporting Official (If additional space is required, use the reverse side of this sheet)		Date (Month, Day, Year) 1/12/09		

Supersedes Prior Filings, Which Cannot Be Used

Form Designed in Microsoft Excel 2000

278-112

Form Approved
OMB No. 3209-0001

83274 (Rev. 03/2000)
 5 C.F.R. Part 2634
 U.S. Office of Government Ethics
 Reporting Individual's Name

Dennis C. Blair

Page Number 2

SCHEDULE A continued
 (Use only if needed)

Assets and Income		Valuation of Assets at close of reporting period		Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.		BLOCK C	
BLOCK A		BLOCK B		BLOCK C		BLOCK C	
				Type	Amount	Other Income (Specify Category Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	None <input type="checkbox"/>						
1	Tyco Deferred Stock Units	\$1,001 - \$15,000		Dividends	None (or less than \$201)		
2	Tyco Options	\$50,001 - \$100,000		Interest			
3	T Rowe Price Prime Reserve Fund	\$1,001 - \$15,000		Dividends			
4	Coviden Options 2,858 vested shares @ \$18.369 strike price exp. 03/13	\$1,001 - \$15,000		Dividends			
5	Tyco Electronics Options 3,267 vested shares @ \$16.63 strike price exp. 03/13	\$50,001 - \$100,000		Dividends			
6	Coca Cola Common	\$1,001 - \$15,000		Dividends			
7	Duke Energy Common	\$1,001 - \$15,000		Dividends			
8	Evergreen Growth Fund	\$1,001 - \$15,000		Dividends			
9	First Cash Inc. (Pawnee, Shook, Chain, Adlington, TX)	\$1,001 - \$15,000		Dividends			
		\$15,001 - \$50,000		Dividends			
		\$50,001 - \$100,000		Dividends			
		\$100,001 - \$250,000		Dividends			
		\$250,001 - \$500,000		Dividends			
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SE 278 (Rev. 9/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name
Dennis C. Blair

Page Number
4

SCHEDULE A continued
(Use only if needed)

Assets and Income BLOCK A	Valuation of Assets at close of reporting period BLOCK B		BLOCK C											
	None (or less than \$1,001)		None (or less than \$201)		Dividends		Interest		Other Income		Date			
	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	Over \$1,000,000 *	Over \$50,000,000	Over \$1,000,000 *	Over \$5,000,000	Over \$10,000,000	Over \$50,000,000	Over \$100,000,000	Over \$500,000,000	Over \$1,000,000,000
1 None <input type="checkbox"/>														
2 Natural Alternatives Inc Common	X													
3 Neenah Paper Common		X												
4 Nisogen Corp Common (Food, animal testing company; Lansing, MI)														
5 Pfizer Common		X												
6 Queen's Health - 403b (INC VP- Growth and Income Portfolio)														
7														
8 Transact Technologies Inc Common														
9														

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, the other higher category.

Prior Editions Cannot be Used

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 5 C.F.R. Part 2634
 U.S. Office of Government Ethics

Reporting Individual's Name
 Dennis C. Blair

SCHEDULE A continued
 (Use only if needed)

Page Number
 5

Assets and Income BLOCK A	Valuation of Assets at close of reporting period BLOCK B		BLOCK C									
	None (or less than \$201)	Income type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.	Type	Amount	Other Income (Specify Type and Amount)	Date (Mo., Day, Yr.) Only if Honoraria						
None <input type="checkbox"/>												
1 T Rowe Price International Stock Fund												
2 T Rowe Price New Asia Fund												
3 T Rowe Price Tax Free High Yield Fund												
4 T Rowe Price Tax Free Income Fund												
5 Verizon Communications Common												
6 Walt Disney Common												
7 TIAA Traditional CREF Stock												
8 TIAA Real Estate												
9 East Hundred Family Trust (Residential Rental Property Charlottesville, VA)												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, use the other higher category.
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SE 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name
Dennis C. Blair

Page Number
6

SCHEDULE A continued
(Use only if needed)

Assets and Income		Valuation of Assets at close of reporting period		Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.		Other Income (Specify Year & Amount)		Date (Mo., Day, Yr.) Only if Honoraria
BLOCK A		BLOCK B		BLOCK C		BLOCK C		
				Type	Amount	Type	Amount	
1	Tyco International	None (or less than \$201)		None (or less than \$201)		Director compensation	\$200,000	
2	Indium, LLC					Director compensation	\$100,000	
3	Y Haha Inc, Honolulu, HI					retainer	\$10,000	
4	The Analysis Corporation					retainer	\$10,000	
5	U.S. Air Force Pacific					consultant fee	\$12,000	wargame Aug/08
6								
7	US Pacific Command					consultant	\$20,000	wargame June/08
8								
9								

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children mark the other higher category.
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 5 C.F.R. Part 2634
 U.S. Office of Government Ethics
 Reporting Individual's Name

Dennis C. Blair

Page Number
 7

SCHEDULE A continued
 (Use only if needed)

Assets and Income BLOCK A	Valuation of Assets at close of reporting period BLOCK B		BLOCK C		Date (Mo., Day, Yr.) Only if Honorary
	None (or less than \$201)	Amount	Type	Amount	
1	None <input type="checkbox"/>		None (or less than \$201)	Over \$5,000,000*	
2	Texas A & M		Dividends	\$1,000	Honorary Jan/08
3	CSIS		Interest	honorary \$1,000 \$1,000	Feb. Mar. Apr/08
4	Bank of America		Dividends	honorary \$7,500	Mar/08
5	National Intelligence Council		Dividends	consultant \$2,000	May/08
6	Pennsylvania Psychological Association		Dividends	honorary \$3,000	July/08
7			Dividends		
8	Dickinson College, Carlisle PA		Dividends	honorary \$45,000	endowsc chair Jan-May 08
9	National Bureau of Asian Research		Dividends	retainer \$75,000	endowed chair

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, the other higher category should be used.

SF 278 (Rev. 03/2000)
 5 C.F.R. Part 2634
 U.S. Office of Government Ethics

Reporting Individual's Name

Dennis C. Blair

SCHEDULE C

Page Number

9

Part I: Liabilities

Report liabilities over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

Creditor's (Name and Address)

Example: First District Bank, Washington, DC
 John Jones, 123 J St., Washington, DC

Type of Liability

Mortgage on main property, Delaware Promissory note

None

Term if applicable

Interest Rate

Date Incurred

1991

8%

1999

10%

25 yrs. on demand

Category of Amount or Value (\$)

\$10,001 - \$15,000

\$15,001 - \$50,000

\$50,001 - \$100,000

\$100,001 - \$500,000

\$500,001 - \$1,000,000

\$1,000,001 - \$5,000,000

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* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other, higher, categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation); (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits

None

Status and Terms of any Agreement or Arrangement

Example: Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 7/00.

1 Will continue to participate in TIAA-CREF 403b plan; no further contributions from employer.

2 Will continue to participate in Vanguard defined contribution plan; no contribution from employer, see pg. 3, line 9.

3 Tyco Deferred Stock Units will be converted to stock within 30 days of terminating from Tyco, pursuant to company plan.

4 Vested stock options.

5 Vested stock options.

6

Parties

Doe Jones & Smith, Hometown, State

Institute for Defense Analyses

Institute for Defense Analyses

Tyco

Coviden

Tyco Electronics

Date

7/85

2002

2003

2008

Mar 03

Mar 03

SF 278 (Rev. 07/2000)
 5 C.F.R. Part 2634
 U.S. Office of Government Ethics

Reporting Individual's Name
 Dennis C. Blair

Page Number
 10

SCHEDULE D

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

Examples:	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
1	Natl Assn. of Rock Collectors, NY, NY Doe Jones & Smith, Hometown, State	Non-profit education Law firm	President Partner	6/92 7/85	Present 1/00
2	Institute for Defense Analyses	Federally funded R&D center	Consultant	9/06	present
3	St. Andrew's School	School	Trustee	1/06	present
4	International Institute for Strategic Studies	Non-profit think tank	Member, Advisory Counsel	1/06	present
5	DCB Associates	Consultant firm	President	1/07	present
6	National Committee on US-China Relations	Non-profit education	Member, Executive Committee	1/06	present

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source.

Examples:	Source (Name and Address)	Brief Description of Duties
1	Tyco International Doe Jones & Smith, Hometown, State Meredith University (client of Doe Jones & Smith), Hometown, State	Legal services Legal services in connection with university construction Director compensation
2	Iridium, LLC	Director compensation
3	DCB Associates, Inc. -Bank of America	Compensation for duties as president Compensation for speech given to symposium
4	-Dickinson College -National Bureau of Asian Research	Compensation for duties as endowed chair holder Compensation for duties as endowed chair holder
5	-Y Heia, Inc. -The Analysis Corporation	Compensation for consultant services Compensation for consultant services
6		

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SF 278 (Rev. 03/2009)
 5 C.F.R. Part 2634
 U.S. Office of Government Ethics

Reporting Individual's Name
 Dennis C. Blair

Page Number
 11

SCHEDULE D

Part I: Positions Held Outside U.S. Government

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Examples:	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
1	Natl. Assn. of Resk Collectors, NY, NY Doe Jones & Smith, Hometown, State	Non-profit education Law firm	President Partner	6/92 7/83	Present 1/00
2	US-China Policy Foundation	Non-profit education	Member, Executive Board	1/06	present
3	Institute for the Study of Diplomacy	Non-profit education	Director	1/08	present
4	Tyco International	Multi-industry corporation	Director	1/06	present
5	Iridium, LLC	Satellite communications company	Director	5/07	present
6	Center for a New American Security	Non-profit education	Director	1/06	present

Part II: Compensation In Excess Of \$5,000 Paid by One Source

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Examples:	Source (Name and Address)	Brief Description of Duties
1	Doe Jones & Smith, Hometown, State Memp University (client of Doe Jones & Smith), Moneytown, State	Legal services Legal services in connection with university construction
2		
3		
4		
5		
6		

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SF 278 (Rev. 03/2000)
 5 C.F.R. Part 2634
 U.S. Office of Governmental Ethics

Reporting Individual's Name

Dennis C. Blair

Page Number

12

SCHEDULE D

Part I: Positions Held Outside U.S. Government

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Examples:	Organization (Name and Address)	Type of Organization	Position Held	None	
				From (Mo., Yr.)	To (Mo., Yr.)
1	Natl. Assn. of Book Collectors, N.Y. Doe Jones & Smith, Hometown, State	Non-profit education Law firm	President Partner	6/92 7/85	Present 1/00
2	Energy Security Leadership Council	Non-profit education	Member	8/06	present
3	Project on National Security Reform	Non-profit education	Deputy Director	9/05	present
4	Asia Society Policy Board	Non-profit education	Member	3/07	present
5					
6					

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization, when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source.

Examples:	Source (Name and Address)	Brief Description of Duties	None
1	Doe Jones & Smith, Hometown, State Beta University (client of Doe Jones & Smith), Hometown, State	Legal services Legal services in connection with university construction	
2			
3			
4			
5			
6			

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January 21, 2009

The Honorable Diane Feinstein
 Chairman, Senate Select Committee on Intelligence
 211 Senate Hart Office Building
 Washington, D.C. 20510

Dear Madam Chairman,

In accordance with 5 C.F.R. § 2634.606, please accept this letter as notice within five days of the commencement of my confirmation hearing of any amendments to my disclosures previously submitted to this Committee pursuant to 5 C.F.R. § 2634.201(c).

In order to correct clerical errors in preparation of my U.S. Office of Government Ethics SF 278 form I have filed an amended SF 278. Enclosed is my letter to Corin R. Stone, Deputy General Counsel and Designated Agency Ethics Official of the Office of the Director of National Intelligence, transmitting and describing my amended SF 278. Also enclosed is her response, certifying that my finances as reflected in the amended SF 278 form do not present any conflicts of interest with my service as Director of National Intelligence.

I also would like to take this opportunity to correct related clerical errors made in financial information in two of my answers to the Committee's Non-confidential background questionnaire, notarized and delivered to the Committee on January 15, 2009.

- Question 8 (page 5 of my answer to the questionnaire) – My 2008 income from Y Hata was \$12,000 (not \$10,000 as stated), my income from U.S. Air Force Pacific was \$10,000 (not \$12,000), and my income from The Analysis Corporation was \$5,000 (not \$10,000).
- Question 31 (pages 19-20) – I earned [REDACTED] in 2008 in "Salaries" (not as originally stated), a category in which I include all "Other Income" I report for 2008 on Schedule A, pages 6-7 of my amended SF 278 form, which includes honoraria, consulting fees, retainers, and director compensation. I am now including in "Salaries" income that in my January 15 answer to the questionnaire I had reported under "Business Income," and therefore the proper figure for "Business Income" should be \$ (not \$[REDACTED]). All other figures listed for 2008 are accurate to the best of my knowledge. All told, my best estimate at this time – before I have access to my W-2s and other tax paperwork – is that my 2008 income totaled \$

SALARIES
 FEES
 ROYALTIES

[REDACTED]

DIVIDENDS [REDACTED]
INTEREST
GIFTS
RENTS
OTHER:
 Business Income
 Tax Refunds
 Capital Gains
 Pension

TOTAL

Thank you for your attention to this matter and for the Committee's consideration of my nomination. Please let me know if you have any questions or concerns.

Yours Sincerely,


Dennis C. Blair

cc: Walter M. Shaub, Jr., Deputy General Counsel, Office of Governmental Ethics
Corin R. Stone, Deputy General Counsel and Designated Agency Ethics Official,
Office of the Director of National Intelligence

Enclosures

SSCI# 2009 -0726



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

February 4, 2009

The Honorable Dianne Feinstein
Chairman
Select Committee on Intelligence
United States Senate
Washington, DC 20510-6475

Dear Madam Chairwoman:

On January 12, 2009, the Office of Government Ethics (OGE) transmitted to the Committee the financial disclosure report of Dennis C. Blair in connection with his nomination for the position of Director of National Intelligence. By letter dated January 21, 2009, the Office of the Director of National Intelligence informed us of a necessary amendment to Admiral Blair's financial disclosure form.

Enclosed is a letter from Admiral Blair to the Office of the Director of National Intelligence informing the Office of the Director of National Intelligence that there were errors on his January 9, 2009, financial disclosure form.

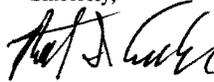
Also enclosed are two amended pages: page 6 and page 10 of the financial disclosure report that was previously submitted. Page 6 discloses a change in the amount of income reported as Tyco International Director compensation from \$200,000 to \$80,000; a clarification of the amount of income reported as Iridium, LLC Director compensation from \$100,000 to \$100,000; a clarification of the amount of income reported as Y Hata Inc. retainer from \$10,000 to \$12,000; a change in the amount of income reported as The Analysis Corporation retainer from \$10,000 to \$5,000; a change in the amount of income reported as U.S. Air Force Pacific consultant fee from \$12,000 to \$10,000; an addition of an entry for National Defense University honorarium in the amount of \$2,000; and an addition of an entry for Institute for Defense Analysis consulting fee in the amount of \$2,000. Page 10 discloses an addition of an entry for Booz, Allen, Hamilton a firm for which Admiral Blair rendered consulting services in 2007 in excess of \$5,000.

We have reviewed the amended pages and have also obtained advice from the Office of the Director of National Intelligence concerning any possible conflict in light of its functions and

The Honorable Dianne Feinstein
Page 2

the nominee's proposed duties. Based on the information provided, OGE continues to believe that Admiral Blair is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert I. Cusick". The signature is written in a cursive style with a large, stylized initial "R".

Robert I. Cusick
Director

Enclosures

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE
OFFICE OF GENERAL COUNSEL
WASHINGTON, DC 20511

21 January 2009

Robert I. Cusick
Director
Office of Government Ethics
Washington, DC 20005-3919

Dear Mr. Cusick,

I have reviewed Admiral Dennis C. Blair's letter dated 21 January 2009 and the attached amendments to Schedule A and Schedule D Part II of his Public Financial Disclosure Report (SF 278 Report), submitted in connection with President Obama's nomination of Admiral Blair to serve as the Director of National Intelligence (DNI). I have examined the duties and responsibilities of the DNI as reflected in the National Security Act of 1947, as amended.

Based on my review of the duties and responsibilities of the DNI, Admiral Blair's amended report, and the specific commitments made in his 9 January 2009 letter to me, my conflicts analysis is unchanged and it is my opinion that there is no unresolved conflict of interest under the applicable laws and regulations.

Please contact me on [REDACTED] if you need additional information concerning Admiral Blair's amended SF 278 Report, my opinion based on my review of the Report, or Admiral Blair's letters of 9 January 2009 or 21 January 2009.

Sincerely,



Corin R. Stone
Principal Deputy General Counsel
Designated Agency Ethics Official

Enclosures

VIA HAND DELIVERY

January 21, 2009

Ms. Corin R. Stone
Deputy General Counsel
and Designated Agency Ethics Official
Office of the Director of National Intelligence
2B-200 LX-2
Washington, D.C. 20511

Re: *Amendment to SF 278*

Dear Ms. Stone:

Please find attached to this letter an amendment to my U.S. Office of Government Ethics Form SF 278 ("SF 278") revising the information on Schedule A, Page 6 and Schedule D-II, Page 10 of this form. This amendment is necessary due to clerical errors discovered while reviewing my confirmation-related records, and reflects the following changes:

SF 278, Schedule A, Page 6:

- Line 1: Change in the amount of income reported as Tyco International Director compensation from \$200,000 to \$80,000. This change is necessary because \$120,000 of my compensation was erroneously reported twice: on Schedule A, Page 2, Line 1 as Tyco Deferred Stock Units, and on Schedule A, Page 6, Line 1 as Tyco International Director compensation.
- Line 2: Clarification of the amount of income reported as Iridium, LLC Director compensation from \$100,000 to \$100,000.
- Line 3: Change in the amount of income reported as Y Hata Inc., Honolulu, HI retainer from \$10,000 to \$12,000.
- Line 4: Change in the amount of income reported as The Analysis Corporation retainer from \$10,000 to \$5,000.
- Line 5: Change in the amount of income reported as U.S. Air Force Pacific consultant fee from \$12,000 to \$10,000.
- Line 8: Addition of an entry for National Defense University honorarium in the amount of \$2,000 for an article.
- Line 9: Addition of an entry for Institute for Defense Analysis (IDA) consulting fee in the amount of \$2,000.

OGE Form SF 278, Schedule D, Part II, Page 10:

- **Line 6:** Addition of an entry for Booz, Allen, Hamilton, a firm for which I rendered consulting services in 2007 of \$7,878, an amount in excess of \$5,000. I no longer have any relationship with Booz, Allen, Hamilton. This relationship ended in 2007.

I have shared a copy of this amendment with the U.S. Senate Select Committee on Intelligence.

Thank you for your attention to this matter. Should you require anything further, please do not hesitate to contact me.

Yours Sincerely,



Dennis C. Blair

DCB/prs

Cc: Walter M. Schaub, Jr., Deputy General Counsel, Office of Government Ethics
The Honorable Dianne Feinstein, Chairman, U.S. Senate Select Committee on Intelligence

Enclosure

SCHEDULE D

Page Number **10**

SE 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name
Dennis C. Blair

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)	None
1	Examples: NKI Asstn. of Rock Collectors, NY, NY Doc Jones & Smith, Hamontown, State	Non-profit education Law firm	President Partner	6/92 7/85	Present 1/00	<input type="checkbox"/>
2	Institute for Defense Analyses	Federally funded R&D center	Consultant		9/08	present
3	St. Andrew's School	School	Trustee		1/08	present
4	International Institute for Strategic Studies	Non-profit think tank	Member, Advisory Counsel		1/08	present
5	DCB Associates	Consultant firm	President		1/07	present
6	National Committee on US-China Relations	Non-profit education	Member, Executive Committee		1/06	present

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source.

	Source (Name and Address)	Brief Description of Duties	None
1	Examples: Doc Jones & Smith, Hamontown, State Macro University (Care of Doc Jones & Smith), Hamontown, State	Legal services Legal services in connection with university construction	<input type="checkbox"/>
2	Tyco International	Director compensation	<input type="checkbox"/>
3	Ididium, LLC	Director compensation	<input type="checkbox"/>
4	DCB Associates, Inc.	Compensation for duties as president	<input type="checkbox"/>
5	Bank of America	Compensation for speech given to symposium	<input type="checkbox"/>
6	Dickinson College	Compensation for duties as endowed chair holder	<input type="checkbox"/>
7	National Bureau of Asian Research	Compensation for duties as endowed chair holder	<input type="checkbox"/>
8	Y Hata, Inc.	Compensation for consultant services	<input type="checkbox"/>
9	The Analysis Corporation	Compensation for consultant services	<input type="checkbox"/>
10	Booz Allen Hamilton	Compensation for consultant services	<input type="checkbox"/>

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SSCI# 2009 -0576

SELECT COMMITTEE ON
INTELLIGENCE

UNITED STATES SENATE



**Questions for the Record
for Admiral Dennis Blair
upon nomination to be
Director of National Intelligence
January 22, 2009**

*Questions for the Record
Senator Christopher S. Bond*

FISA Amendments Act

Question: The FISA Amendments Act of 2008 included important civil liability protections for those providers who assisted the government with the Terrorist Surveillance Program in the aftermath of the September 11th terrorist attacks. According to this Act, in order for the liability protections to apply, the Attorney General must first file a certification with the court. Last fall, Attorney General Mukasey filed the appropriate certifications.

Do you believe that those private partners who assisted the government should be given civil liability protection?

Answer: Yes. The terms and conditions of that civil liability protection are spelled out in the FISA Amendments Act.

If confirmed as the DNI, will you recommend that the Attorney General honor the certifications submitted by Attorney General Mukasey?

Answer: Yes.

DNI Authorities

Question: The Intelligence Reform and Terrorism Prevention Act (IRTPA) created the Director of National Intelligence in response to concerns that there was no leader of the Intelligence Community. Yet IRTPA gave the DNI a whole lot of responsibility without requisite authority. Since then, the DNI has had difficulty at times bringing reluctant agencies along the path he would like to hoe. Some say the DNI should just be a coordinator among the agencies, but not have the power to direct them.

- **How do you describe the appropriate role of the DNI?**

Answer: My principal role, if confirmed as DNI, is to create a unified intelligence effort at the national level that is both effective and efficient. This means setting overall priorities, ensuring that the agencies and elements play their parts in meeting those priorities, ensuring missions that require the efforts of multiple agencies are accomplished, and adapting the intelligence agencies to new missions as they arise. To accomplish this, I will institute appropriate policies and procedures for the agencies that comprise the U.S. Intelligence Community. They are obligated by the recent amendments to EO 12333 (section 1.3(c)) to implement those policies and procedures unless the head of the department to which they belong takes the issue to the President or the National Security Council, contending that compliance with such policies and procedures would abrogate his or her statutory authorities, in violation of section 1018 of the Intelligence Reform and Terrorist Protection Act of 2004 (IRTPA). I anticipate that this clarification of the IRTPA will significantly improve the ability of the DNI in the future to obtain compliance with his directives by elements of the Intelligence Community. I will request additional authority if I find I do not have enough to lead the community.

- **If confirmed as the DNI, will you direct the IC even where there is no consensus among the agencies?**

Answer: If I am confirmed as DNI, I will direct the Intelligence Community to do what I believe is necessary to support the intelligence priorities at the national level, regardless of whether there is consensus within the Community for that particular course of action.

- **Taking into account the ODNI's role as you see it, what is your opinion on the size of the ODNI?**

Answer: Although I have received overview briefings on the size and organization of the ODNI, I am not yet in possession of sufficient information to answer this question. If confirmed, I will make it a matter of priority to assess this issue. That said, I believe that large staffs can sometimes interfere in the effective management of a large organization and I will bear that in mind as I review the size and structure of the ODNI staff.

Accountability

Question: I was disappointed to read your response to one of the prehearing questions about accountability. You stated that you did not see the DNI intervening in, or commenting upon, decisions made by heads of agencies. The Committee has been very concerned by the IC's failure to hold individuals accountable for poor judgment or significant mistakes. I believe it improves morale and productivity if there is accountability, particularly at the highest levels. This is why for the past two years, I have sponsored a provision giving the DNI authority to step in and conduct accountability reviews.

- **If you are given this authority, will you take appropriate action when people, particularly those at the highest levels—use poor judgment or make significant errors?**

Answer: If confirmed, and if I were given authority (by virtue of the Senator's proposal or something similar) to step in and conduct accountability reviews at agencies within the Intelligence Community, I would use that authority where I believe a particular agency's handling of a disciplinary matter had been inadequate.

Leaks

Question: Since 9/11, we have seen far too many leaks of sensitive information in the press—from the Terrorist Surveillance Program to recent articles that appeared in the New York Times. I am concerned that we are not doing enough to pursue aggressively and prosecute those who leak classified information. While some people say that there is nothing we can do about leaks, I believe all it takes is for one person to be punished for disclosing classified information—that will be a pretty potent message for others. In fact, a good place to start would be prosecuting the individual who leaked the TSP to the New York Times and then went so far as to tell his story to Newsweek.

- **What is your view of prosecuting leakers?**

Answer: I believe people who leak classified information should be criminally prosecuted. If an individual cannot be prosecuted for whatever reason, I believe that administrative action should be considered up to and including dismissal

from government employment. As we discussed at the hearing on 22 January, if confirmed I will examine the procedures now in place to identify those who pass classified information to outsiders, and look for improvements.

- **Will you encourage IC agencies to file crimes reports each time there is a leak of classified information?**

Answer: If confirmed as DNI, I will encourage elements of the Intelligence Community to file crimes reports with the Department of Justice when leaks of classified information occur.

- **Will you encourage the next Attorney General to investigate and prosecute these leaks?**

Answer: If confirmed as DNI, I will also encourage the next Attorney General to investigate and prosecute leaks of classified information.

Domestic Intelligence

Question: For the past several years, we have heard the repeated refrain that we need to split up the FBI and create an MI-5-type organization. While I believe that the FBI can make further improvements in its intelligence transformation, they have made considerable progress since 9/11. My staff and I have visited other countries that divide their intelligence and law enforcement functions. It is my opinion that we have the right formula here. I am also concerned that if we divide these overlapping functions, we will recreate the walls that contributed to the 9/11 attacks.

- **What is your opinion on splitting the FBI into separate intelligence and law enforcement agencies?**

Answer: I have heard strong arguments against splitting the FBI into separate intelligence and law enforcement agencies, including: that the FBI has made progress in its efforts to improve its intelligence function; that such a split risks recreating the wall between law enforcement and intelligence information sharing that was so harmful before 9/11 and would undermine information sharing; and that such a split would undermine the benefits that result from FBI special agents

who have an understanding and experience in both the world of intelligence and law enforcement. I currently have no intention of supporting the creation of a separate domestic intelligence agency.

Question: There have been some recent suggestions that there should be a domestic intelligence czar to oversee the intelligence efforts of the FBI and Department of Homeland Security. I am concerned that this would confuse or dilute the authority of the DNI.

- **What is your opinion of a domestic intelligence czar, particularly in light of the DNI's statutory responsibilities?**

Answer: White House "czars" do not have a great record of success in recent years in the U.S. government. It is better for a new administration initially to charge those outside the White House with line responsibility to do their jobs. The White House staff should help the President set goals and monitor progress towards those goals.

Question: Since its creation, the Department of Homeland Security has experienced some growing pains as it tries to fulfill its many different missions. This Committee has been particularly interested in DHS' efforts to bridge the gap between federal, state, and local law enforcement agencies, particularly in sharing intelligence information.

- **What do you believe should be the role of intelligence in the Department, and how does this then translate to DHS' role in the Intelligence Community?**

Answer: The Department of Homeland Security's Office of Intelligence and Analysis is an important member of the Intelligence Community. Its mission is to ensure that information related to homeland security threats is collected, analyzed, and disseminated to the full spectrum of homeland security customers in the Department – at state, local, and tribal levels; in the private sector; and in the IC. I believe this is an appropriate and necessary mission. The Department of Homeland Security's Office of Intelligence and Analysis both relies on

information from the IC to inform the wide range of homeland security customers and informs the IC of the wide range of intelligence it collects and analyzes from the state, local, and tribal levels, as well as the private sector.

- **In your opinion, what are the biggest challenges for DHS in embracing its intelligence function?**

Answer: Two clear challenges for the intelligence function at DHS are (1) to continue efforts to develop capability in this recently created office; and (2) to enhance and expand robust information sharing, both to inform DHS customers and to keep the IC informed of information developed at the state, local, and tribal level, as well as the private sector. If confirmed, I will make it a priority to assess challenges for the intelligence function at DHS and to support improvements.

Intelligence Collection

Question: In a December 2001 Newsweek article, you expressed concern about preparing “target folders” aimed at specific individuals when conducting counterterrorism programs.

- **Could you give us an idea of what those concerns were, as well as what concerns you still may have?**

Answer: I honestly cannot remember the specifics of the incident mentioned in the Newsweek article. I don't know if it had any basis in fact or not. My past concerns about targeting specific individuals in counterterrorism programs related to the proper authorizations and rules of engagement. In the seven years the United States has been conducting this campaign, we have worked out these issues; as a result, I have no concerns.

- **Do you believe that the military should target known terrorist leaders?**

Answer: I believe military units should target known terrorist leaders. As I stated during the hearing on January 22, I believe we can do a better job in combining military and intelligence organizations to capture and kill terrorists who have attacked or who threaten the United States by combining the principles of Title 10 and Title 50 into a "Title 60." Such a law would govern the use of integrated

military/intelligence teams for the counterterrorism mission and would allow operational commanders the freedom to combine the capabilities that have been developed within the armed forces and within the intelligence agencies. Such a law would have to consider the issues of the deniability of covert actions and the combatant status of uniformed military personnel, but it should be written in the context of the kinds of operations we are conducting today. It is my understanding that the different requirements of Title 10 and Title 50, written in the context of Cold War conditions, currently slow and degrade the conduct of operations in the field.

Question: President Obama has said that if we have actionable intelligence about high-level al-Qaeda targets, “we must act if Pakistan will not or cannot.”

- **If confirmed as the DNI, how will you ensure that the Intelligence Community is able to provide “actionable intelligence” on high-level targets?**

Answer: In recent months, the Intelligence Community has been able to provide very important “actionable intelligence” on high-level targets. If confirmed, I will want to inform myself in detail of the reasons for these recent successes, and build upon that record.

- **What do you consider the foremost responsibility of an intelligence officer?**

Answer: The foremost responsibility of an intelligence officer is to help policymakers and action officers understand the environment and, especially, the adversary.

- **Do you believe that we need to be more proactive in our intelligence collection?**

Answer: Yes. The Intelligence Community has had many collection successes, but can never rest on its laurels because the threat environment and communications technology are constantly changing. The Intelligence Community must stay at the cutting edge of technology, especially information technology.

Investment in R&D as well as human capital is essential for innovation and future success in collection.

Question: We have all heard complaints from the military that the Intelligence Community has not been responsive enough to its intelligence requirements. At the same time, intelligence should first and foremost be obtained to support policymakers.

- **How will you prioritize requirements so that the IC will do a better job of supporting the military, while at the same time ensuring that support to the policymakers remains the top priority?**

Answer: As the question suggests, both national and military priorities are important and both must be met. The President, who is the primary policy maker, is also the Commander-in-Chief. He needs the best possible intelligence support in making policy choices, and the troops he commands need the best possible intelligence support once he commits them to combat in support of his policies.

As generous as the Congress has been with the Intelligence Community, it is not possible to fund separate systems devoted exclusively to national requirements and military requirements respectively. Most often, the issues that arise between the demands of military operations and national intelligence requirements have to do with the capacity of collection systems and with assignment of analysts. I believe it is incorrect to characterize these priority-based decisions always as conflicts between military and national requirements. They are rather the decisions that have to be made by the intelligence enterprise of a global power that needs good intelligence in many different areas of the world and for many different potential threats.

It is my belief that greater integration across the national intelligence enterprise will make the whole greater than the sum of the parts, and enable the IC to meet intelligence requirements more effectively. If confirmed as DNI, I will work hard to advance this integration and thereby improve the IC's ability to meet requirements across the board.

China/Taiwan

Question: You have often talked about increasing cooperation with China in order to reduce mutual suspicions and broaden mutual interests. Yet, you also dealt with one of the most delicate U.S./China issues in recent history, the 2001 collision between a U.S. Navy EP-3E reconnaissance aircraft and a People's Liberation Army J8 fighter jet and the subsequent tensions between our two nations.

- **If confirmed as the DNI, how would you balance the desire to reduce suspicions with the priority to understand what China is doing in the region?**

Answer: I believe strongly that good intelligence that increases our understanding of what China is doing in the region is essential to calibrate suspicions in the region about China's actions. Much of the suspicion stems from the fear that China's economic growth will inevitably lead to military growth that will inevitably lead to a policy of asserting Chinese influence and reducing American influence. A good example is China's military modernization. There is suspicion that China is bent on asserting military power far from its shores. China protests that it has no intention of projecting military power for coercive purposes, and points to its recent deployments to combat piracy off Somalia. To understand China's plans in this area is an important task for U.S. intelligence. The task includes a careful examination of China's actions, including the military systems it is building, its military relations with other countries, its exercise program, and its diplomacy. The task also includes a careful examination of the internal debate in China on this topic, both the public debate and the official debate. The task includes gathering and analyzing both publicly available information as well as classified intelligence. The results of this analysis will inform American policymakers on the question of whether they should be suspicious of China's overseas activities because they are most likely the initial stages of a power projection capability, or whether we should understand them as a limited capability that will pose no serious threat to U.S. interests. If confirmed as DNI, my priority will be to use intelligence to understand both the reality of Chinese actions and the range of Chinese intentions.

Question: A number of negative comments about United States policy towards Taiwan have been attributed to you in the past—I believe at one time, you referred to Taiwan as the “turd in the punchbowl of U.S./China relations.” Since you retired, however, you have consistently spoken and written about the importance of the Taiwan Relations Act as a solid foundation for American policy in the region. You have also said in recent years that you believe that that policy is good for both Taiwan and China.

- **What is your view on U.S. policy towards Taiwan?**

Answer: It is absolutely incorrect that I ever referred to Taiwan itself as the “turd in the punchbowl of U.S./China relations.” Whoever gave this account to the press was maliciously attempting to portray me as a supporter of China at the expense of Taiwan. I did in fact use the too-colorful phrase “tossing a turd in the punchbowl” in a closed meeting in 2000, but the phrase referred to a specific action by a former Taiwanese government that had been taken without consulting the United States, that had led to a confrontation between the United States and China that neither had sought, and that did not benefit Taiwan. My characterization referred to a single, specific action by the Taiwanese government, certainly not Taiwan itself.

I have never made negative comments about United States policy towards Taiwan in the past. I have stated opinions about statements and actions of particular American officials and administrations which I believed to be inconsistent with American policy, but I have always believed and stated that the Taiwan Relations Act is a solid foundation for American policy towards Taiwan. When I was CINCPAC, I took my specific responsibilities under the TRA seriously, and since I retired I have continued to believe and say that this legislation provides a sound basis for U.S. policy.

- **If confirmed as the DNI, how do you intend to shape intelligence collection priorities in this region?**

Answer: If confirmed as DNI, I intend to place a priority on both China and Taiwan. As the TRA states, it is American policy that the future of Taiwan will be

determined by peaceful means. American intelligence must understand the prospects and opportunities for a peaceful progress so that we can reinforce it. On the other hand, American intelligence must provide warning of a potential crisis or conflict in China-Taiwan relations so that we can take timely and well informed action.

Use of Intelligence

Question: You have handled a lot of intelligence throughout your career and have likely seen that reports on the same subject may differ in substance and veracity.

- **If you became aware that the Administration was cherry-picking, exaggerating, or downplaying intelligence to justify a policy or program, how would you respond?**

Answer: If I am confirmed, it would be my responsibility in such a situation to contact the appropriate Administration official to discuss the issue and to make sure that he or she had all the relevant facts and intelligence available. I would underscore what the totality of intelligence on a given topic supports, or does not support, with respect to a policy or program. I would also communicate the IC consensus view if one existed.

The Administration is entitled to interpret facts and information, but if I suspected that there was a deliberate attempt to manipulate intelligence for political purposes, I would make my concerns known directly.

- **What is the obligation of the DNI to ensure that U.S. intelligence is not misused?**

Answer: The DNI has an obligation to provide accurate, timely and relevant intelligence that is free from political considerations. As the head of the Intelligence Community, the DNI also has the responsibility to ensure that intelligence is not misused.

Intelligence Community Linguists

Question: The Defense Language Institute has its roots in the Military Intelligence Service Language School which trained nearly 6000 Japanese linguists for service in World War II. Japanese is a Category IV language with a basic course length of more than a year. WWII lasted four years.

We have been in Afghanistan for more than seven years and continue to fight the Pashto speaking Taliban. Pashto is a Category III language with a basic course length of 47 weeks, yet we have fewer than 5% of the linguists for this war than we did for WWII.

- **How do you plan to improve the number and quality of qualified linguists in critical languages such as Pashto, Urdu, Arabic, and Persian Farsi?**

Answer: If confirmed, I will conduct a thorough review of the Intelligence Community's current language training, recruitment and retention efforts. Lack of language-qualified personnel has been a perennial problem for the Intelligence Community. From reading press accounts and recent intelligence authorization reports, it appears that not enough progress is being made. I am aware that the IC continues to wrestle with clearing people who are native speakers of the critical languages you mention, and I believe the DNI is exploring new ways to employ them at a lower classification level. I will want to examine the effectiveness of this program and determine whether it is the right answer to the problem. I will also want to examine what kind of incentives the IC is using to attract and retain linguists, and determine whether recruiting is taking place in the right areas. During my years in the military, particularly in the Pacific, the importance of having language-qualified personnel in the right positions was brought home to me again and again. It is important to identify those positions and then put in place aggressive procedures for finding linguists to fill them. If I am confirmed, this will be a priority for me.

- **Do you believe that contractors can meet the nation's requirements for linguists?**

Answer: I don't believe that the IC should rely excessively on contractors. That being said, it is not possible to predict every contingency in order to have a waiting pool of linguists, or to have depth in every possible language. I believe the IC must identify linguistic needs for the next five or ten years and shape the linguistic workforce accordingly. The IC also needs to know where linguists are assigned at any given moment so it can reach out to them when needed. Predicting the IC's linguistic needs is an art and not a science. Sometimes contractors will be needed to enable us to surge quickly against an emerging threat or to augment IC language capabilities. Once it becomes clear that the requirements for a particular language are not transient, the IC should focus on increasing the numbers of government linguists rather than continuing to rely primarily on contractors.

- **Does the Intelligence Community need a more robust program for recruiting, training, promoting, and retaining linguists?**

Answer: Yes, I believe the IC needs a more robust program. If confirmed, I will conduct a thorough review of the current program to see how it can be improved to meet the needs of the IC and the Nation.

Covert Action

Question: As you know, the Under Secretary of Defense for Intelligence has Title 10 and Title 50 authorities. The USD(I) was dual-hatted by DNI McConnell to serve concurrently as his Deputy Director for Defense. Yet, the USD(I) has, on occasion, asserted that this Committee does not have primary jurisdiction over his programs. This is of particular concern to this Committee as the USD(I) has interpreted Title 10 to expand "military source operations" authority, allowing the Services and Combatant Commands to conduct clandestine HUMINT operations worldwide. These activities can come awfully close to activities that constitute covert action.

- **In your opinion, what constitutes "covert action" or "covert influence"?**

Answer: The term "covert action" is often used loosely but it is a defined term under Title 50. The covert action statute, 50 U.S.C. 413b(e), defines covert

action as "activities of the United States Government to influence political, economic, or military conditions abroad, where it is intended that the role of the United States Government will not be apparent or acknowledged publicly..." "Covert action," as the definition points out, includes covert influence.

- **How do you differentiate between covert action, military support operations, and operational preparation of the environment?**

Answer: Some covert actions necessarily involve support and participation of military forces. And there are military operations that are designed to prepare the battlefield or support ongoing military operations that require the support of CIA or other intelligence assets. There is often not a bright line between these operations and I believe there are two criteria we must keep in mind. First, the President and others in the chain of command over military and intelligence assets must have broad flexibility to design and execute an operation solely for the purpose of accomplishing the mission. They should never contort an operation to be a covert action under Title 50 or a military operation under Title 10 in order to avoid Congressional oversight or a funding constraint. Second, I believe that these operations must be very carefully considered and approved by appropriate authorities and they must be coordinated thoroughly in the field. Consistent with law and the President's responsibilities, they must be reported to the relevant committees of Congress, including the Intelligence, Armed Services and Appropriations Committees.

- **In your opinion, when does preparing the environment become a covert action in all but name and authority?**

Answer: As I noted in my response to the previous question, there is often not a bright line between military activities to prepare the battlefield or the environment, but each activity should be carefully reviewed by military and intelligence officers and a judgment made on a case-by-case basis.

- **When there are disagreements between the military and Intelligence Community as to what constitutes covert action, what do you believe is your role in resolving this friction?**

Answer: If confirmed, I am responsible for overseeing and managing the intelligence community and executing my duties as spelled out in the law. Should there be a disagreement over the authorities under which an operation would be executed, I would work closely with the Combatant Commander in the field, the Secretary of Defense, the National Security Adviser and, if necessary, the President to resolve the matter.

NRO Overhead Reforms

Question: For some time now, our overhead acquisition process has been broken. Members of this Committee have expressed repeated frustration that we have wasted billions of dollars on satellite systems that either don't work or are never completed.

- **How do you plan on fixing this broken process?**

Answer: If confirmed, I plan to tackle this issue immediately. I am aware that there is an urgent need to address the overhead architecture and that the new DNI will need to move quickly. I have not been briefed in detail on all the systems and the events that led to the current situation, so I can't give a specific answer to this question. However, as a former Director of the Joint Staff with a great deal of program management experience, I know the importance of clearly stated, realistic requirements for systems acquisition. These requirements should be developed consistent with a comprehensive but achievable overhead architecture. I also believe that, if confirmed, I will need to play a strong leadership role in developing that architecture and validating those requirements. The DNI should be primarily responsible for ensuring that the nation's intelligence needs from overhead systems are met. In doing so, I will work closely with the Department of Defense and other customers. If confirmed, I will also help the NRO get back on track by providing them clear guidance, adequate resources and disciplined oversight so they can get the job done. This organization has delivered outstanding systems in the past, and I believe it can do so again.

Will you hold people accountable when they make errors or bad decisions that end up wasting taxpayers' dollars on satellites that don't do the job?

Answer: Yes, I will hold people accountable. Program Managers deserve praise and rewards for success, and must understand that they will receive the opposite for failure.

Project on National Security Reform

Question: You served as the Deputy Executive Director of the Project on National Security Reform. I have read PNSR's findings and agree with the project's description of the problem with how the United States government goes about national security decision-making. Our government funds and authorizes self-licking ice cream cones as departments and agencies, instead of authorizing and funding according to the mission. The Project recommends some bold reforms in the National Security Council, throughout the government and in the Congress. Yet the changes it recommends will be hard fought as most do not like change in the circles of power in Washington.

- **Which of the Project's recommendations are you most interested, would you like to pursue and would work to bring about as the DNI?**

Answer: I am most interested in two sets of the PNSR recommendations.

First, the foundational reforms that over time will make our national security departments and agencies better integrated in their planning and execution of policy:

- Improving the management of the national security professional workforce;
- Improving the information infrastructure for collaboration across national security departments and agencies, including a common security clearance and classification system; and
- Creating an integrated national security budget that will align resources with priorities across all departments and agencies.

Second, the organizational reforms that will focus the Executive Office of the President on strategic management of national security, while decentralizing the execution of interagency policy to interagency teams and crisis task forces.

None of these reforms is easy or quick, but if implemented, they will greatly improve the safety and security of the United States.

Question: Since 2005, the Committee has had a staff group which examines intelligence collection and analysis on Iran. Despite numerous and repeated requests in the last Congress, this staff group has not been given access to several of the most important source streams used in the 2007 Iran NIE. This is simply unacceptable and it hampers this Committee's ability to conduct effective oversight.

- **Will you ensure that the Committee is given access to this information?**

Answer: If confirmed, I will look into this question and work with the Committee to ensure that it is fully and currently informed with respect to the intelligence collection and analysis on Iran, including the collection and analysis used in the 2007 Iran NIE. If there are issues of exceptional sensitivity, I will work with the Committee to find satisfactory solutions to them.

Financial Management

Question: Admiral Blair, the intelligence community has made little progress towards producing auditable financial statements, despite Presidential and Congressional direction to do so that dates back to 1996. During his confirmation process, the incumbent DNI promised take this bull by the horns and specifically pledged not to tolerate "bureaucratic roadblocks." And yet, we hear reports of bureaucratic bickering that has left the IC little closer to having clean financial books now than when Admiral McConnell took office. In fact, a December 2008 status report to our Committee from the ODNI showed delays and lack of progress in financial areas that the DNI promised to make priorities. This is intolerable. If auditors cannot attest to the accuracy and reliability of the IC's accounting,

Congress and the American people cannot be assured they are getting what they paid for. Congress may have to withhold funding for certain administrative functions until we are assured the IC has taken this problem seriously and has made real progress.

- **Are you aware of this situation, and will you assure this Committee that you will be able to show us real results in your first year in office?**

Answer: I am aware in the broadest terms that the Intelligence Community lags behind the rest of the federal government in achieving auditable financial statements. While I have not been briefed on all the specifics, I understand part of the problem is that the defense agencies of the IC use the Defense Finance and Accounting System, which has systemic problems that prevent auditability and will take time to rectify. If confirmed, I will have a strong interest in modernizing business systems and processes to improve the IC's ability to allocate and manage financial resources efficiently. As I stated in a previous written response, it is important to do the up-front work of analyzing agency and enterprise business processes to ensure that the IC is improving those processes and not just automating bad ones. I am unclear on how much progress the IC has made in this area, but if confirmed, I will make it a priority to find out. I believe there may be a tension between modernizing business systems and achieving auditable financial statements that I will need to balance if confirmed as DNI. I am committed to the effective expenditure of taxpayer dollars and, if confirmed, I will report regularly to the committee on the progress we are making in financial management.

Major Acquisitions

Question: The IC has wasted billions of dollars on major acquisition programs, such as certain satellites, that it could not afford to finish. Some programs built in insurmountable technical risk, dooming them to failure from the start. All such failures had grossly unrealistic cost and schedule estimates. We saw this with NRO, with NSA, with ODNI, and with another special, classified program. Yet the heads of these agencies stubbornly or blindly insisted to Congress that they were on the right track and that Congress should continue to throw good money after bad.

- **What will you do as DNI to ensure the IC does not continue to waste precious dollars by intelligence agency directors who manage to fool themselves about the true cost and technical difficulty of programs?**

Answer: If confirmed, improving the acquisition of major systems must be at the top of my priority list. The IRTPA gave the DNI formal milestone decision authority for the first time. That authority is shared with the Secretary of Defense for systems within the Department of Defense funded in whole by the NIP. The newly revised Executive Order 12333 broadened this shared authority to include systems funded in whole or in majority part by the NIP, and directs the DNI, in coordination with the relevant heads of departments, to develop procedures to govern major systems acquisitions. If confirmed, I will make developing and implementing effective acquisition procedures a priority. I anticipate that I will be able to forge a constructive working relationship with the relevant departments, and with the Secretary of Defense.

The DNI needs to show strong leadership on the acquisition of all national security intelligence systems. That includes developing the architecture into which the acquisitions fit, ensuring the system requirements are realistic and actually meet the needs of operator/customer, and most important of all, ensuring responsible programming and budgeting. If confirmed, I will ensure that every program has an independent cost estimate; that the full costs—in the FYDP and beyond—are well-understood before proceeding; and that once the decision is made to proceed, the program manager is resourced to achieve success. I will also ensure that no system will proceed to acquisition until there has been sufficient technical risk reduction to reasonably assure success. These are, in fact, time-honored principles of sound acquisition to which we must return if we are to meet our national security imperatives.

Energy Security

Question: The National Intelligence Council has published reports that conclude that the struggle for resources – in particular, energy, and especially oil and gas – will play an increasingly major role in world politics. Indeed, the certain reemergence of higher oil prices when the world economy ultimately recovers

could result in wealth transfers that could fundamentally change the world balance of financial and political power. Over the last year, we have seen some increased priority attached to energy security in the intelligence community, and that is heartening. But I believe we need to ensure that the full capability of the Community is brought to bear on these issues and that energy security is seen as a critical mission and managed in a coordinated fashion, headed by one senior, accountable officer.

- **Do you have views about the future role of energy security in geopolitics?**

Answer: I agree with the premise of the question that energy security is a topic of great importance in geopolitics. The President mentioned energy security in his inaugural address, and I am confident that it will be a topic of continuing importance to policymakers.

- **What would you do to ensure that the IC is devoting appropriate priority and resources to energy security in a coordinated, accountable manner?**

Answer: If confirmed, I will assess the quality of the intelligence concerning energy resources and energy security, and adjust the level of priority and amount of resources in the IC devoted to these topics as necessary. I will want to ensure that appropriate resources are committed and utilized effectively to address this important concern.

Question for the Record
Senator Barbara Mikulski

Question: Admiral Blair, it is absolutely critical to have a Director of National Intelligence (DNI) who is honest, candid, and objective with the President. This may require the DNI to tell the President – the very person who appointed you to this job—something he doesn’t want to hear.

We can’t have a Director of National Intelligence who only says “yes” to the President. The DNI must speak with truth and candor to the President because this will help create more informed policies and will help prevent our government from making reckless mistakes. I, like many other Americans, have great respect for the military – and it is admirable that you are willing to return to government service. Like DNI McConnell, you have had a lengthy military career – serving over 30 years in the Navy. However, the military does have a culture of “saying yes.”

Given your lengthy military career and important tenure as head of Pacific Command, how can we count on you to speak truth to power? What specific examples can you point to where you told a leader something that he or she didn’t want to hear?

Answer: When I was Director of the Joint Staff, there was an issue concerning the conflict between Navy exercises and the migration of marine mammals. It was clear that the White House wanted the issue to be resolved by the Department of Defense without a public fuss by agreeing to relocate Navy exercise areas. I insisted that the Department submit a formal recommendation, with supporting rationale, for the maintenance of the exercises. Although the President did not accept the recommendation, I felt it was important to raise the issue and make a decision, rather than simply taking a popular position without debate.

When I was CINCPAC, on several occasions, I received policy direction that may have been correct in other areas or the world, but was not relevant to the American position in the Asia-Pacific region. In every case, rather than simply accept the inappropriate direction or to ignore it, I replied with recommendations that pointed out the problems in the direction, and then recommended alternatives that were more appropriate to the Asia-Pacific region.

*Questions for the Record**Senator Bill Nelson*

Question: The Committee has been clear in its support for dramatically increased research and development funding for the Intelligence Community. We cannot keep up with the fast-changing technology world and our adversaries without it. **Do you support the new Intelligence Advanced Research Projects Activity (aka IARPA)? Will you make research and development a funding priority and personally ensure that IARPA is well supported with authorities and resources?**

Answer: Yes, I support the Intelligence Advanced Research Projects Activity (IARPA). Based on the experience I have had with the Defense Advanced Research Projects Agency, the model for IARPA, I would look at closely is the mechanism for transitioning promising IARPA initiatives into operational systems. A demonstration project in IARPA does no good unless it moves into the hands of operators and analysts.

It is my view that R&D should play an important role in efforts to strengthen the capabilities of the IC. If confirmed, I will want to review funding levels and ensure that IARPA activities are focused on unique needs and niches that are critical to the IC but are underfunded by other government agencies and the commercial sector. I am prepared to support additional resources for R&D as such needs are identified.

R&D needs to be a source of innovation for the entire Intelligence Community, supporting the nearer-term missions but also reaching out for game-changing developments that can revolutionize how the IC carries out its mission.

Question: The legislatively mandated DNI Director of Science & Technology position should report directly to you and be your personal S&T advisor. The previous Director did not make this position a priority, so the last two position holders resigned and it has been vacant for many months. **What are your plans**

for this position? Will you make it a priority to fill this position quickly with a highly qualified S&T leader reporting directly to you?

Answer: I share the premise of the question that a DNI Director of Science & Technology is an important position to ensure the integration of S&T efforts across the intelligence enterprise and ensure the most effective use of R&D resources.

If confirmed, I will make it a priority to fill this position quickly. I will look for a Director with a strong technical background, a track record of creative use of technology, and proven leadership and communication. Experience working within and across the IC's S&T enterprise would also be desirable.

I will want to look at the number of senior officers directly reporting to the DNI before I make a decision about a direct reporting relationship, but my inclination is to have such a relationship with the senior Science and Technology officer. I would expect this S&T leader to function as my senior advisor on S&T matters, to serve as the voice of the S&T community at the most senior levels, to take a hard look at the successes and failures of S&T in recent years, and to focus on enhancing the ability of agencies to carry out S&T activities, both in support of their own unique missions and as part of an Intelligence Community S&T enterprise.

Questions for the Record
Senator Olympia Snowe

Question: The Bush administration listed the IC IG provision in the FY09 Intelligence Authorization bill as a “provision of significant concern” and threatened to veto the entire bill if that particular provision was included in the final language. Specifically, the Statement of Administration Policy stated that the “existing IGs of all the IC elements are still best suited to performing their investigative, inspection, and audit functions, without the addition of an outside entity like the proposed new IG.” Do you agree that the “existing IGs of all the IC elements are still best suited to performing their investigative, inspection, and audit functions, without the addition of an outside entity like the proposed new IG.” If so, why?

Answer: I believe the existing IGs of the agencies within the Intelligence Community are still best suited to performing investigative, inspection, and audit functions *within their respective agencies* simply because they have access to the employees and documentation needed to conduct such activities and, presumably, have a more in-depth understanding of their agency’s organization, responsibilities, and operations.

Question: In response to a question regarding whether or not you would support establishing in law an independent, fully empowered Inspector General for the Intelligence Community in Committee pre-hearing questions, you stated that you “would not want to add an additional unnecessary layer of bureaucracy on top of a system that is functioning adequately.” Why do you believe that the current system is functioning adequately?

Answer: By saying “I would not want to add an additional layer of bureaucracy on top of a system that is functioning adequately,” I did not mean to imply that I necessarily thought the current system was functioning adequately. Until I am confirmed and have explored this issue, I have no means of making that assessment.

Question: According to the Inspector General Act of 1978, an inspector general looks independently at problems and possible solutions, yet the current construct of the Office of Inspector General of the Office of the Director of National Intelligence does not allow the Inspector General to investigate the various elements within the Intelligence Community. Do you agree that an Inspector General for Intelligence Community – one that can compel testimony – should be able look across the entire intelligence landscape to help improve management, coordination, cooperation, and information sharing among the individual intelligence agencies and affect cross-agency accountability?

You also indicated in information provided to the Committee that “there may be some merit in a coordinator of the efforts of the inspectors general across the intelligence community for issues that are larger than a single intelligence agency.” Wouldn’t it be appropriate for a coordinator of inspectors general to have the same stature as the other statutory, Senate-confirmed inspectors general in the IC?

Answer (to the last two questions together): I want to explore this issue more carefully before agreeing that an Inspector General for the Intelligence Community should be able to investigate, audit, and inspect across the entire community. To empower an Inspector General in this manner – i.e.; to look at documents and interview personnel from sixteen separate agencies, all with Inspectors General of their own – may be neither necessary nor desirable. As I indicated in my earlier answers, however, it may make sense where an inquiry involves the activities of more than one agency within the Intelligence Community (as it often does) to have an Inspector General for the Intelligence Community with authority to institute and coordinate investigations, audits, and inspections carried out by the individual Inspectors General of the agencies concerned. I will review the IG provisions of future Intelligence Authorization bills once I have had a chance to assess the effectiveness of the IGs currently working in the Intelligence Community.

Questions for the Record
Senator Russell Feingold

Question: In your responses to questions posed by the Committee, you stated that “[t]he [Intelligence Community] needs to emphasize in its relationships around the world that the United States respects and seeks to advance respect for human rights, and that IC agencies do not condone behavior that violates this core American value.” How can this message be conveyed convincingly? Are there consequences in terms of these relationships if human rights violations continue? What kind of working relationship will you set up with the State Department and other agencies so that our human rights policies are coherent?

Answer: The first and most important action the Intelligence Community can take to convey a convincing message is to ensure that violations of human rights do not take place. Specifically, the President has made clear in his Executive Orders of January 22, 2009 that the United States will ensure the lawful interrogation of individuals detained in armed conflicts, and that the United States will abide by the provisions of the Geneva Conventions. If confirmed, I will ensure that actions of IC personnel are consistent with these Executive Orders and that American values, principles and laws apply to all behavior by IC personnel. I will direct overseas IC elements to work closely with the State Department and all government agencies under the Chief of Mission’s authority to ensure that activities are in accord with the U.S. government’s human rights policies.

Question: In 2006, the Department of Defense Inspector General concluded that, as President of the Institute for Defense Analysis, you violated IDA’s conflict of interest standards by failing to disqualify yourself from studies affecting the financial interests of two companies on whose Boards of Directors you served. You have acknowledged as serious mistakes both the conflict of interest and your decision to decide on your own not to recuse yourself. If you are confirmed, will you fully and proactively report to the dedicated agency ethics official of the ODNI and any other relevant officers any information that might suggest even the appearance of a conflict of interest, including not only your financial interests but

any issues that could come within your authorities that might have a bearing on this determination?

Answer: Yes. If confirmed, I will consult immediately and fully with the DNI General Counsel and any other appropriate ethics officer if there is any question at all with regard to conflict of interest or the appearance of a conflict of interest.

Question: How important is it that, outside declared war zones, all intelligence activities, whether conducted by elements of the IC or by DOD, are squarely within Chief of Mission authority?

Answer: The newly revised Executive Order 12333 on United States Intelligence Activities states that the DNI shall ensure, through appropriate policies and procedures, that intelligence activities are conducted in a manner “consistent with the responsibilities pursuant to law and presidential direction of Chiefs of United States Missions.” If confirmed, I will work with the State Department to ensure that those policies and procedures are in place. Since Executive Order 12333 also charges the DNI to establish joint procedures to deconflict, coordinate, and synchronize activities conducted by the IC with intelligence activities conducted by other United States Government departments, he has a mechanism to ensure that *all* intelligence activities are appropriately coordinated with Chiefs of Mission. I believe it is important for the coherent conduct of foreign policy that this direction be strictly followed, and if confirmed, I commit to develop expeditiously the required procedures to implement it.

Question: In your responses to Committee questions, you confirmed that DNI policies “govern all U.S. elements that deal with foreign intelligence services to ensure a consistent approach in our foreign relations.” How would you ensure that DNI policies cover any DOD dealings with foreign intelligence services, so that the U.S. government is truly acting in a consistent manner?

Answer: The new Executive Order 12333 makes clear that the DNI has the authority to establish and conduct intelligence agreements with foreign governments, to formulate policies concerning foreign intelligence and counterintelligence agreements, and to *align and synchronize those agreements among the members of the intelligence community* to further United States national security, policy, and intelligence objectives. This is one of the major changes to

the newly revised Executive Order and I believe it is a very positive development. As a former Commander of United States Pacific Command, I understand the importance of a coherent and coordinated approach to foreign governments and intelligence services. If confirmed, I will act quickly to put in place procedures to accomplish the directed alignment of foreign intelligence and counterintelligence agreements and to institutionalize it for the future.

Question: In your responses to Committee questions, you stated that you plan to conduct an evaluation of sunseting PATRIOT Act authorities, during which you will consult with intelligence professionals, intelligence community legal advisors and the Attorney General. Will you also consult with civil liberties groups and members of Congress?

Answer: In conducting an evaluation of sunseting PATRIOT Act authorities, I believe it is useful to consult broadly, including with the Congress and civil liberties groups.

Question: You have indicated that you support the continued declassification of the top-line intelligence budget. Would you support efforts to declassify this figure at the beginning of the fiscal year, rather than at the end, so that the intelligence budget can be considered independently as part of the Congressional budget process?

Answer: I will have to learn more about the intelligence budget processes to give an informed answer to this question.

*Questions for the Record**Senator Carl Levin**Information Sharing and NCPC*

Question: Admiral Blair: One of the main objectives of the Intelligence Reform and Terrorism Prevention Act of 2004 was to ensure that intelligence information is shared in a manner that enhances the performance of the Intelligence Community and the government. The Intelligence Community has taken steps to improve information sharing, but apparently there are still impediments to the sharing of information even within the intelligence community, perpetuating “stovepipes” and precluding components of the IC from having the information they need to accomplish their assigned missions. For example, our staff is informed that the Director of the National Counter-Proliferation Center (NCPC) has difficulty getting staff cleared into compartments, precluding coordinated efforts that NCPC believes would significantly enhance mission effectiveness.

If confirmed, will you look into this information sharing issue and work to ensure that information is shared appropriately, consistent with the law, to ensure mission accomplishment? Will you let me know the results of your inquiry and any actions you take to resolve any information sharing problems?

Answer: If confirmed, I will look into the problems of information sharing you describe at the National Counter-Proliferation Center, and I will inform you of the results of such inquiries as well as the actions I have taken or plan to take. Speaking more generally, I believe the DNI has a legislative mandate to take action to improve information sharing across the Intelligence Community. Information sharing has been a priority of Director McConnell’s, and, if I am confirmed, it will be a priority of mine.

Question for the Record
Senator Hatch

Question: Admiral Blair, in reviewing your response to my question about how you would explain the failure of the IC in correctly assessing Iraq's wmd program prior to the war, you said you had read a "summary" of the SSCI's July 2004 report, *U.S. Intelligence Community's Prewar Intelligence Assessments on Iraq*. I was extremely troubled by your response that one of the reasons for the intelligence failure was, "part of it had to do also with the extraordinary political pressure that was placed on some of the analysts." This response is metaglobalizing insofar as you pronounced, in your response, the report to be an "extremely thorough document." Yet the report very clearly stated in **Conclusion 83** that:

The Committee did not find any evidence that Administration officials attempted to coerce, influence or pressure analysts to change their judgments related to Iraq's weapons of mass destruction capabilities. (p. 284)

I remind you that this report was voted out unanimously by the Committee in July, 2004.

When I followed up and challenged you on your reading of the report or your understanding of this catastrophic intelligence failure and the role of "political pressure," you responded, "I'm sort of thinking small 'p' political – the intense overwatch, the high stakes." This is incomprehensible. I would be grateful for answers to the following questions in writing before the Committee has the opportunity to vote on your nomination.

The July 2004 SSCI report has no "summary." What summary did you read, and who wrote it?

Please describe in detail what you believe was the "political pressure" put on analysts working on this critical intelligence question. From where did you obtain this information?

If you heard these charges directly from analysts who were involved in the flawed Iraq assessments, please provide an explanation why they would

declare to you that they were under political pressure while they did not reveal to Committee investigators this same crucial information.

Asking hypothetically, how would you judge the professionalism of an analyst who would deny information to properly cleared congressional investigators, and then change their story afterward, presenting incomplete information to congressional investigators. Should such analysts be considered reliable in their duties?

What, exactly, did you mean when you qualified your first statement asserting “political pressure” by adding that you were “sort of thinking small ‘p’ political – the intense overwatch, the high stakes.

What, in your opinion, is worse – analysts who succumb to political pressure and knowingly present analysis they do not believe to be accurate, or analysts who change their stories due to political circumstances to protect their reputations and the errors of their analysis?

Please explain in detail your understanding of how politicization can corrode analysis, giving examples if you can, and what should be done regarding those who politicize intelligence and intelligence analysts who tolerate political pressure.

For example, I have heard credible reports that during the September 1999 violence in East Timor, senior military leaders at PACOM and in the Pentagon’s J5 were reluctant to accept intelligence from analysts as it began to show that General Wiranto and the TNI were complicit in or supporting militia violence in East Timor. Some military leaders encouraged analysts to downplay this intelligence in finished assessments so as not to affect military assistance funding for the TNI. Do you consider either the reluctance to accept intelligence judgments or efforts to encourage analysts to change their assessments to be political pressure? If so, why was this kind of pressure allowed to go on during your watch as PACOM commander?

Answer: I appreciate the opportunity to reply in more detail to the questions you posed in my confirmation hearing about the mistakes that were made in

intelligence before the Iraq War of 2003. Let me try to answer them together as follows:

Following your reference to the SSCI investigations in our conversation in your office on January 13, I went to the committee website and read the references to the committee's report in the "Press" tab of the site. I was not able to read the entire report prior to my testimony. I have now had the opportunity to review the report more thoroughly and the valuable insights it provides into the mistakes that were made in the key intelligence estimates produced before the war. I also now understand more clearly the careful work that the Committee did on the question of potential direct Administration pressure on analysts as they reached their conclusions on the Iraqi WMD program.

As I stated in my answer to your question at the hearing, and as the committee's report corroborates, the primary causes for this flawed analysis lay in the lack of credible intelligence sources on Iraq, and in faulty analysis of the evidence that did exist. To make matters worse, the analysis failed to alert policymakers as to how meager and uncertain the evidence underlying the key judgments actually had been.

As you reminded me in the hearing on January 22, neither the committee nor the WMD commission found evidence that the Administration deliberately attempted to coerce, influence, or pressure the analysts involved to change their judgments of Iraq's WMD capabilities. Indeed, this is what the analysts themselves told investigators. At the same time, it is clear from the committee's report itself, and subsequent accounts of those involved in the analytical process (including National Intelligence Officer Paul Pillar and DCI Tenet), that the analysts involved found themselves working in an intensely political climate. As they were wrestling with scant evidence, short timelines, and assessments that would have a major impact on questions of war and peace, senior Administration officials and members of Congress were making public statements with judgments that were stronger and more confident than the analysts themselves could be sure of. In retrospect, the intelligence community was probably expected to bear more responsibility than it had the capability to assume at that point, and this pressure had to have had an effect on the deliberate production of measured assessments.

You, Vice Chairman Bond, and Senators Chambliss and Burr perceptively pointed out a similar effect in your minority views to the committee's 5 January 2008 report. You were addressing the issue of selective declassification of the key judgments in NIEs generally, and pointed out that intelligence analysts are not immune from political pressure:

“Requesting NIEs with unclassified key judgments has become sport in Washington as each side hopes the NIE will support its position. Cries of ‘politicization’ usually follow from whichever side is unhappy with the results. This is not only unfair to the Intelligence Community, it is dangerous in that analysts will attempt to please all sides and their muddled judgments will help no one.

“We expect intelligence analysts to follow tried and true marching orders for intelligence: tell me what you know, tell me what you don't know, tell me what you think and make sure the policymaker understands the difference. Analysts cannot do this if they are constantly wondering if their assessments will be used for politics.”

If confirmed as Director of National Intelligence, my objective will be to ensure that the analysis produced by the Intelligence Community is objective and free of any political bias, whatever the issue or political climate might be. The experience of the analysis before the Iraq War, and in the declassification of NIEs, provides excellent lessons that can be applied to future judgments.

You also asked about reports of attempts within the Pacific Command staff to influence intelligence concerning events in East Timor when I was commander-in-chief. Documents of these events, which occurred almost a decade ago, are not now available to me. However, I do remember well that the reports of the atrocities themselves were quickly available, both through intelligence reports and in the international press. It was clear that the local TNI units charged with security in East Timor were failing to protect civilians, and were sometimes assisting those conducting the atrocities. I was the senior officer in PACOM, and was requesting and receiving information both on the atrocities themselves and on senior TNI complicity in ordering them. It was not clear whether the TNI units in East Timor were disregarding orders to act humanely, or whether they were

receiving secret orders from TNI leadership to permit or commit the atrocities. At that stage in Indonesia, the military chain of command was weak, and either explanation was possible. The intelligence on this key question was not extensive or conclusive. When I talked with TNI leadership during visits and by phone, those leaders assured me that they had given orders to their troops to act humanely. In my conversations with TNI leaders concerning the atrocities, I therefore relied on the international media reports of the atrocities, and the fundamental responsibility of a military leader to have his orders carried out. I remember at one point pointing to a television set and telling a senior TNI officer that if he was giving the orders he claimed, it was clear from television cameras on scene that they were not being carried out, and that it was his responsibility to ensure they were. The worst atrocities were after the August 1999 referendum, and were so widespread and well planned that it was clear that the entire TNI command in East Timor was involved. At this point it did not matter whether General Wiranto had ordered them or not – they were his responsibility. That was the thrust of my conversation with him on September 9 when I delivered this message on behalf of the U.S. government.

Question for the Record
Chairman Feinstein

If you wish to expand upon or clarify any answer you provided at the hearing today, please do so.

Answer: I have no further responses or clarifications of my testimony.

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