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NOMINATION OF VICE ADMIRAL MICHAEL McCONNELL TO BE DIRECTOR OF NATIONAL INTELLIGENCE

HEARING

BEFORE THE

SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

FEBRUARY 1, 2007

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NOMINATION OF VICE ADMIRAL MICHAEL McCONNELL, TO BE DIRECTOR OF NATIONAL INTELLIGENCE

THURSDAY, FEBRUARY 1, 2007

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

The Committee met, pursuant to notice, at 2:33 p.m., in room SD–106, Dirksen Senate Office Building, the Honorable Jay Rockefeller (Chairman of the Committee) presiding.

Committee Members Present: Senators Rockefeller, Feinstein, Wyden, Mikulski, Feingold, Whitehouse, Bond, Warner, Hagel, Chambliss, Hatch, Snowe, and Burr.

Also Present: Senator Collins.

Chairman ROCKEFELLER. This hearing will come to order.

There is one formality that we need to dispose of before we can proceed. The Committee received Admiral McConnell's financial disclosure forms and background material last Friday. The rules require that we wait 7 days after receipt of the material to hold a hearing unless the Committee votes to waive the rule. So, Admiral, we're just going to wait 7 days, or unless there's objection—there is no objection—that we will just waive that. I don't think I hear any objection, and therefore the rule——

Vice Chairman BOND. I was going to make the motion. So it is agreed.

Chairman ROCKEFELLER. It's agreed.

OPENING STATEMENT OF HON. JOHN D. ROCKEFELLER, CHAIRMAN, A U.S. SENATOR FROM WEST VIRGINIA

Welcome to all. And we begin today with a very serious confirmation, and that is for Mike McConnell to be the next Director of National Intelligence.

Before we get into the substance of the statements and the questions, I want to recognize Admiral McConnell's wife Terry, who is accompanying him, and ask Admiral McConnell if he would like to introduce the rest of his family here with him today.

Admiral MCCONNELL. Well, thank you, sir, very much.

You just mentioned my wife who's sitting just here in the white coat. And next to her is Christine, our daughter. And next to Christine is Mark, our son, his wife, Ann Marie, and two of our seven grandchildren. This is Alana and Taylor.

Chairman ROCKEFELLER. Good. I welcome them too.

And, of course, we welcome our valued colleague, the distinguished Senator from West Virginia—I mean, senior Senator from Virginia—who is obviously a valued—you see, it always goes the other way. Usually people call West Virginia, Virginia.

Senator WARNER. We in Virginia will take you back. You ran away, but we'll take you back.

[Laughter.]

Chairman ROCKEFELLER. Senator, we seceded for a good and just cause. And Senator Warner is going to be introducing Admiral McConnell in just a moment.

Admiral McConnell appears before us after a long absence from Government service. He has not, however, been absent from the field of intelligence. He served in the U.S. Navy for 29 years, rising to the rank of vice admiral, which is, I am told, a very rare accomplishment for an intelligence officer.

During the period of public service, he served as Director of Intelligence on the Joint Staff during the Persian Gulf war and as Director of the National Security Agency, our Nation's largest intelligence agency.

Upon retiring from the Navy, Admiral McConnell went to work for Booz Allen & Hamilton, where he has been a senior vice president for intelligence and national security. He is also currently chairman and chief executive officer of the Intelligence and National Security Alliance, an industry group that works with the Government looking for ways to solve some of our complex intelligence problems.

Admiral McConnell, I was particularly interested in reading in your responses to our questions that we sent you prior to this hearing on how you came to be an intelligence officer. As you described it, after serving a tour in combat in Vietnam, you wanted to know how to provide better intelligence to those who are, in fact, in combat.

This tells me some very important things about you. First, you know what combat is really like and how important it is to try to keep the young men and women serving in our military out of harm's way whenever possible.

Secondly, you know how important intelligence is to our military commanders and to those who make the decisions affecting our national security.

And finally, it tells me that you are an intelligence professional by choice, not by accident. And that means you have a huge dedication to the field.

If you are confirmed, you'll be taking over an experiment still in its early stages, an experiment intended to make sure that U.S. intelligence provides policymakers, our military commanders, and other decisionmakers with the best information available.

While the Congress passed the Intelligence Reform and Terrorism Prevention Act of 2004 in the wake of the 9/11 Commission report and this Committee's report on problems with prewar intelligence related to Iraq, those were only the most recent in a long line of studies and reports describing the structural problems in the intelligence community.

The question we will have for you today, and the challenge you will face if confirmed, will be to figure out if we got it right. I'm

convinced that separating the DNI from the day-to-day operation of the Central Intelligence Agency was the right step. For the first time ever, we now have somebody whose primary responsibility is organizing the different pieces of the intelligence community. I also think this arrangement benefits the CIA since it now has the undivided attention of its Director.

But beyond the act of separating the two jobs, it is less clear whether the structure of the DNI office is ideal to accomplish its mission—hence, a work in progress. We did not pull the technological collection agencies out of the Defense Department and we did not give the DNI direct authority over the main collection or analytical components of the community.

We gave the DNI the authority to build the national intelligence budget, but we left the execution of the budget with the agencies. We gave the DNI tremendous responsibilities. The question is, did we give the position enough authority for him to exercise those responsibilities?

I will also want to hear from you today about how you envision your relationship with us, and this will be an important line of questioning for me. The Committee is charged with overseeing the operation of the intelligence community. It's a job that Vice Chairman Bond and I and all the Members of our Committee take very, very seriously. We care very much about intelligence—that intelligence work for our Nation and for our fighting forces. And therefore, it's important that our relationship be a comfortable and frank one.

Congressional oversight is sometimes viewed only as a criticism. And at times, we do criticize, but it is our goal to make the intelligence community the best that it can be. And oversight should be cooperative, not confrontational. In order to accomplish this goal, we will have to work together to ensure that this Committee has the access to the materials it needs to conduct oversight.

It is no secret that neither Vice Chairman Bond nor I have been happy in the past with decisions by some to restrict access to required information by our Members and staff. Depriving our Committee of the information it needs, or over-restricting access to the information we need, not only weakens congressional oversight of secretive intelligence programs, it generates unnecessary suspicion and, worst of all, undercuts the effectiveness of activities generally.

Vice Chairman Bond and I are committed to working together to overcome this problem. And the Vice Chairman, I have to say, has been extremely effective on that so far. But we will need your help, sir.

In our discussion today, I'm not interested in rehashing what has or has not transpired in the past. I want to establish a positive and collaborative relationship for the future. I look forward to getting your views on these and other issues that you are going to be facing.

I now recognize Vice Chairman Bond.

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

Vice Chairman BOND. Thank you very much, Chairman Rockefeller.

I join in welcoming you, Admiral McConnell, and your fine family. I had an opportunity to meet briefly with your lovely granddaughters. I know that's a source of great pride. I associate myself with all the things the Chairman has said. And we are working together. We do need access and we look forward to a constructive relation.

But I have a few comments on which I wish to elaborate. And that is the fact that, as has already been said, the intelligence community has come a long way since 9/11. Significant intelligence and Government reforms have been enacted, including creation of the Director of National Intelligence.

The DNI is and should be central to transforming the community. In the face of unknown and known enemies who are determined to cause us harm, we need strong, decisive leadership to make sure we pull together the IC's considerable resources, talents, and capabilities.

It's certainly no secret to anybody I've talked to, or who has watched the record, that I specifically voted against the intelligence reform legislation 2 years ago because I believe it gave the DNI a whole lot of responsibility without the requisite authority. I had hoped for more robust legislation.

If you're confirmed, Admiral McConnell, as I am sure you will be, I expect and hope you will give this Committee your full unvarnished opinion about your authority so that we can ensure that the one we hold responsible for intelligence matters has the requisite authority.

Mr. Chairman, I believe the President has made an excellent choice in nominating Admiral McConnell. With the long and distinguished career that you mentioned, he certainly has the background. He and I have had time to spend together in my office after the nomination. We discussed the progress and areas where further reform is needed. He testified that he shared my concern with the fact that within the IC—the intelligence community—there are no fully auditable financial statements and he plans to change that and we want to work with him.

I believe Mike McConnell has the right background for this important job and is the right choice. As an intelligence officer in the U.S. Navy and numerous leadership positions, including Director of the NSA and his private sector work, I think he brings not only subject matter expertise to this important job, but leadership. And Admiral, I look forward to hearing about your ideas on continuing the transformation of the community.

Human intelligence—absolutely essential. Our enemies are agile and diverse. We need to stay ahead of them and prevent them from realizing their evil intentions, but we need better human intelligence which does not necessarily mean more human intelligence. And ideology—I believe that the global war on terrorism must be regarded largely as an ideological war. Twenty percent of the war is kinetic, and I fully support that in many ways, but also 80 percent is ideological and we're going to have to win on both fronts.

I'm concerned we haven't been doing enough to focus on the ideological front raised by the radical Islamist fundamentalist terrorists.

Next, information sharing and analysis. Our officers are doing good work. But I think they can do better, particularly when sharing intelligence across the IC. You've written about these ideas, and I look forward to hearing more about them.

And financial management, again, right now the IC cannot tell us exactly how the National Intelligence Program funds are being spent, and I believe you and I regard that as unacceptable.

And in reference to the Committee issues that the Chairman raised, we're well aware that the intelligence community has learned important lessons about the Iraq WMD failure and made important changes. But we've also learned important lessons from that failure, and as a result, we're changing our approach to oversight.

When the 2002 NIE on Iraq WMD programs was provided, there was no evident problems with the document. However, at that time, the Committee did not examine the underlying intelligence that supported it. After the start of the war, we did examine the underlying intelligence, and we quickly realized that the NIE's characterization and interpretation of this intelligence was overstated, and in many cases just plain wrong. I have said before that Congress demanded that immediately in the worst way, and that's unfortunately how we got it.

We are not going to accept national security issue judgment without examining the intelligence underlying the judgments, and I believe this Committee has an obligation to perform due diligence on such important documents.

When we ask for documents, however, we've run into resistance, and the IC claims we should not be looking over its shoulder and checking its work. To me, that's basically what oversight is all about. And I think the Committee must look into the materials on which you base the judgment.

Unfortunately, Mr. Chairman, when we're seeking documents supporting the 2005 Iran NIEs, we're experiencing significant resistance. This baffles me. If you're confirmed, I hope you will work with us, support our efforts to get these documents and perform our duty for the Senate and the American people.

In conclusion, I thank you so much for taking on this job. I congratulate you on your nomination. You are our best hope of being able to develop the intelligence we need to confront the untold enemies who are united in their hatred of America and the freedoms, hopes, and opportunities for our country.

Best wishes, thank you, Admiral, and thank you, Mr, Chairman.

Chairman ROCKEFELLER. Thank you, Mr. Vice Chairman.

I now recognize the distinguished senior Senator from Virginia, Senator John Warner.

OPENING STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM VIRGINIA

Senator WARNER. Thank you, Mr., Chairman, Mr. Vice Chairman and colleagues on the Committee. I'd like to have my entire statement placed in the record.

Chairman ROCKEFELLER. Without objection.

Senator WARNER. So in the brevity of time, we can proceed to the hearing. I would simply say the President chose the right man for the right job at the right time, because never before in my long lifetime have I seen a more complex set of challenges facing this Nation than today.

My earlier remarks were covered by the distinguished Chair and Vice Chair, so I'd like to pick up. This is not the first time we have met. We go back, I calculate, Admiral, almost 40 years when I was privileged to be Under Secretary, Secretary of the Navy, and you were a young Ensign JG, happily far away from the Pentagon on a beloved ship with your beloved Navy and sailors——

Admiral MCCONNELL. Yes, sir.

Senator WARNER. Which you served with great distinction. But then in later life, we did have the opportunity to work together.

The Admiral served as a senior intelligence officer from 1990 to 1992 for the Chairman of the Joint Chiefs of Staff, then-General Colin Powell, and the Secretary of Defense during Operations Desert Shield/Desert Storm, and it's at that time I met him. He was a one-star Admiral on the Joint Staff when the first Gulf War started. He would come to the Hill circa 1990 to brief the Senate Armed Services Committee, and indeed the Members in S–407.

I roughly calculated from my diaries you made more than 15 different appearances during that period where you gave us a clear picture of intelligence relating to Iraq, Afghanistan, and indeed Kuwait—particularly at that time—and the whole region. You won the respect and admiration of the Senate at that time.

Later you, as we say in the Navy, fleeted up to serve as Director of the National Security Agency—that's NSA—from 1992 to 1996, where we again continued our association. During that period, I was a Member of this Committee, as well as the Armed Services Committee.

I worked closely with you to ensure that our intelligence forces would not be cut so deeply during that period when there were substantial cuts to our armed forces. Clearly both of us saw that our intelligence forces were our first line of defense. They were, as we say in the military, a force multiplier at a badly needed time when the ranks were being substantially thinned. Under your leadership, Admiral, the NSA routinely provided global intelligence and information security services to the White House, Cabinet officials and the Congress, in addition to the broad array of military and civil intelligence customers.

The Admiral is also one of the first senior officials in the United States Government to identify information assurance and cyber security as major strategic issues in our increasingly networked society and then the emerging Internet. You were right on the pioneer status of those critical problems.

You took that knowledge that you gained from 29 years in the Navy and then put it back into the private sector but, once again, serving the United States and our security interests in those positions.

In 2002, the Consulting Magazine selected the Admiral as one of the top 25 most influential consultants in the Nation for his work in cyber security and risk management. Later, the Admiral served

3 years on the board of directors of Booz Allen Hamilton, and is currently the senior vice president with that firm, based in McLean, Virginia. He holds many awards and recognitions, high academic credentials, all of which I will put forth.

And I would say simply, Admiral, may fair winds and following seas get you through the confirmation process.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM VIRGINIA

Chairman Rockefeller, Vice Chairman Bond, distinguished colleagues, it is my great pleasure to introduce to you a most outstanding public servant, intelligence professional, and Virginian—Vice Admiral (Retired) Mike McConnell—who appears before you today as the President's nominee to serve as our country's second Director of National Intelligence (DNI).

Family:

I would like to recognize Mike's family members in attendance today and thank them for their steadfast support and sacrifice not only in support of Mike, but also our nation.

Mike has been married to his lovely bride Terry for 19 years and they have four children—Erin, Jennifer, Mark, and Christine and four grandchildren.

Recognition of Ambassador Negroponte:

Our nation's first Director of National Intelligence, Ambassador John Negroponte, has lead the intelligence community since April 2005 with great distinction given these troubled times in which we live.

And I would like to take this opportunity to thank him and his family for their service and wish them well as he continues his legacy of public service and will assume the position of the Deputy Secretary of State.

Role and Importance of the DNI:

The Intelligence Reform and Terrorism Prevention Act of 2004 established the Office of the Director of National Intelligence. This law serves as the most dramatic reform of our nation's intelligence capabilities since President Harry S. Truman signed the National Security Act of 1947, and outlines the following:

- The DNI serves as the principal advisor to the President of the United States, the National Security Council and the Homeland Security Council for intelligence matters related to national security;
- The DNI serves as the head of the 16 member United States Intelligence Community; and
- the DNI oversees and directs the national intelligence program of the United States

I can think of no one more qualified or suited for this position than Mike McConnell. He is the right man—with nearly four decades of intelligence community leadership and experience—to lead our Intelligence Community, and to serve as our country's second Director of National Intelligence, during this crucial time in our nation's history.

Career Highlights:

Mike served as the Senior Intelligence Officer from 1990–1992 for the Chairman of the Joint Chiefs of Staff (then General Collin Powell) and the Secretary of Defense during Operations Desert Shield/Desert Storm—this is where I first met Mike.

He was a one-star Admiral on the Joint Staff when the first Gulf War started. He would come to the Hill to brief SASC Members—I recall at least 15 or more briefings—where he provided the intelligence picture on Kuwait and Iraq during that time.

Mike then "fleeted-up" to serve as the Director of the National Security Agency (NSA) from 1992–1996—where we continued our association. As I recall, during this time, our armed forces were being reduced—some by as much as 40 percent.

I worked closely with Mike, and others, to ensure our intelligence forces would not be cut so steeply. Clearly we saw our intelligence forces as our "first line of defense" and we saw the necessity of maintaining a robust intelligence effort.

Under Admiral McConnell's leadership, the NSA routinely provided global intelligence and information security services to the White House, Cabinet officials, and the Congress, in addition to the broad array of military and civil intelligence customers;

Mike was also one of the first senior officials in the U.S. Government to identify information assurance and cyber-security as major strategic issues in our increasingly networked society and the then-emerging Internet;

Private Sector Service:

Following his very distinguished 29 year military career, Mike has been equally successful in the private sector. For example:

- In 2002, *Consulting Magazine* selected Mike as one of the top 25 most influential consultants in the Nation for his work in cyber-security and risk management;
- Mike served 3 years on the Board of Directors for Booz Allen Hamilton; and is currently a Senior Vice President with Booz Allen Hamilton based in McLean, Virginia;
- Mike also currently serves as the Chairman and CEO of the Intelligence and National Security Alliance (INSA), an industry advocacy group designed to work with the government to address complex intelligence and security issues facing the nation.

Awards and Recognition: In addition to earning numerous military awards for meritorious service, Mike also holds the nation's highest award for his diligent work in the intelligence community—The National Intelligence Distinguished Service Medal.

Academic Credentials: Mike's academic credentials are equally impressive: He holds a Master's degree in Public Administration from George Washington University; He is a graduate of the National Defense University and the National Defense Intelligence College; and he holds a Bachelor's in Economics from Furman University.

Summary: It is with great pleasure, and my distinct honor, to introduce this great patriot to you today as the President's nominee as our nation's second Director of National Intelligence.

Admiral MCCONNELL. Thank you, Senator.

Chairman ROCKEFELLER. Thank you, Senator Warner.

Admiral McConnell, you are now recognized to make your opening statement, sir.

STATEMENT OF VICE ADMIRAL MICHAEL McCONNELL, U.S. NAVY, RETIRED, DIRECTOR OF NATIONAL INTELLIGENCE-DESIGNATE

Admiral MCCONNELL. Thank you, Mr. Chairman.

It's indeed an honor and a privilege to come before this Committee today. I am also deeply honored and grateful to President Bush for his trust and confidence in nominating me to become the second Director of National Intelligence, or DNI, as we slip into acronyms, as we are wont to do.

I want to express my sincere appreciation to you, Chairman Rockefeller, and to you, Vice Chairman Bond, for your consideration of this nomination. Both you and the other Members of the Committee have been most helpful and gracious during my courtesy calls. We have some very important issues to address and, if confirmed, I look forward to working the issues with each of you.

Today, in an age in which the threats faced by the Nation are so very different from those in the past, the DNI must call on the wisdom and experience of this Committee to be effective in helping to protect the Nation. If confirmed, I will consult with you often. I will seek your counsel. And I will take it seriously.

I want to thank Senator Warner for his very kind remarks in introducing me this afternoon. In addition to being a great American of long and distinguished service to the Nation, he is the senior Senator from my adopted home State. I also had the honor of working for Senator Warner when he was the Secretary of the Navy, as

he mentioned, and as a Member of this Committee during my time at NSA in the 1990s. Thank you, sir.

I also want to thank my wife, Terry, our four children, and our wonderful grandchildren for their support and patience as I contemplate a return to public service. I must admit, we had some long and serious talks about my returning after 30 years of my first tour, but in the final analysis, they were all very supportive.

After spending most of my adult life in the intelligence community, focused on getting the right information to decisionmakers in time and format to be useful, I am excited about the possibility of returning. Fortunately, my work for the past 10 years after leaving Government service has allowed me to stay focused on the national security and intelligence communities. I have followed the issues and initiatives and, if confirmed, I hope to be quickly and directly relevant to build on the accomplishments of Ambassador Negroponte and his team.

While preparing for the confirmation hearing, I have focused primarily on the new intelligence reform legislation and the process issues in the community. I have not yet engaged in all of the substantive and policy issues that I know are of the highest interest to this Committee. If confirmed, I will come up to speed quickly and engage promptly to answer your questions. As I noted in my written response to your questions, I understand and I am fully supportive of the role of the Congress in your oversight responsibilities.

Unlike a decade ago, the threats of today and the future take advantage of globalization, and they take advantage of globalization to move at increasing speeds. The tools that make globalization possible, such as rapid transportation, instant global communications, global finance, computerization, data mining, all make our productivity increase and our standard of living improve. At the same, those who wish us harm use these same tools to attack the Nation to further extremist views and causes.

Today's threats, as we witnessed during 9/11, cross geographic boundaries, and that now includes inside the United States. We know that terrorist organizations today are making plans for attacks on our citizens inside our borders. It will require coordinated responses from the entire community of intelligence professionals, working with other security professionals, to identify and prevent terrorist groups from carrying out these attacks.

The current DNI Web site lists terrorist events that have been carried out and terrorist events that have been prevented over the past few years. I would recommend that our citizens review this information since it is so easy to get involved in our day-to-day lives and forget the seriousness of these threats.

The first responsibility of intelligence is to achieve understanding and to provide warning to the decisionmakers. As you know, there is a large community of intelligence professionals who dedicate their lives to carrying out this mission and the other missions of the community.

If confirmed, I will continue strong emphasis on integration of the intelligence community so we may better serve the Nation to meet these new threats. That will mean accomplishing the full intent of the December 2004 legislation on intelligence reform and

terrorism prevention. To be effective, I believe we must have a more integrated and collaborative community; better information sharing and communications processes to share; increased focus on the needs of our customers; more efficient acquisition, research and development, and financial accounting; rapid and improved security processes; and deeper penetration of intelligence targets to produce the needed information for tactical, operational, and strategic decisionmakers.

I believe the intelligence community needs to move beyond "need to know"—the approach of the cold war—to a new approach that embraces the idea of responsibility to provide to our users, to the battlefield, to state and local security officials.

Many of these threats and challenges were identified in the questions the Committee asked me to answer. If I am confirmed by the Senate, I will do my very best to make meaningful progress addressing these challenges.

I also understand that the conflicts in Iraq and Afghanistan and the role of the intelligence community in these conflicts, and in combating terrorism overseas, are some of the most pressing priorities of this Committee. If confirmed, I will work with you in addressing these issues as my highest priorities.

If confirmed, I also will consult with this Committee, the House Intelligence Committee, and other congressional leaders. I will be open to your questions, ideas, and proposals. I will use my interaction with this Committee as important inputs in shaping my recommendations and my actions. I, of course, understand it is the President who will ultimately decide on what changes are made in the Executive branch's approach to many of these high priority areas.

I want to return to the serious new threats of today—that is, the current planning by al-Qa'ida to attack inside the United States, to attack U.S. interests and the interests of our allies outside the United States. Not many years ago, the intelligence community focused almost exclusively on foreign threats outside our borders. What is new is the need to focus on these threats inside our borders. We must be effective in collecting and processing information to protect Americans from terrorism and to do so consistent with our Constitution, our laws and our values to respect the rights and privacy of our citizens. We will need to work together to develop processes and procedures that are effective in meeting these goals.

Mr. Chairman, Members of the Committee, I did not seek to return to Government to become the DNI. I agreed to this nomination because I love our Nation and because the President asked me to come help because he thought I could help. I hope your deliberations will reach a similar conclusion.

Thank you, Mr. Chairman. That concludes my opening remarks.

Chairman ROCKEFELLER. Thank you very much, Admiral McConnell.

I'll just start off with a question or two.

There's been a lot written, and more said, about the Defense Department's encroaching on various aspects of intelligence collection normally done by the Central Intelligence Agency and the Federal Bureau of Investigation.

To what extent are you concerned about competition between the DNI and the Secretary of Defense for control of the intelligence community? Have you discussed any of these issues with Secretary of Defense Bob Gates? How are you, if at all, concerned that the Defense Department may be encroaching on CIA's activities, particularly its covert action missions, and thereby undermining the coordination and effectiveness of our counterterrorism efforts?

Admiral MCCONNELL. Senator, when I was asked to consider this nomination, I asked for some time to think about accepting, and during that timeframe, one of the things I wanted to do was to have a conversation with Secretary Gates. As you know, he was public in his remarks before he became Secretary of Defense about what he thought about the DNI's authorities.

I had that conversation before I accepted the nomination, and I have had a conversation with Secretary Gates since. And we are of a common mind that we need to clean up the authorities for the DNI with regard to how this community is managed.

Now, embedded in your question were lots of parts—covert action and concern about competition and so on. I have views about those things. This community has to stand on its own two feet. It has to engage in the appropriate way. There inevitably will be bureaucratic friction. Any time missions are close or overlap, there are frictions. I think it's the responsibility of DNI to address those frictions in a forceful way to get us to the right place, as collaboratively as possible, but to get on to meeting the interests of the Nation.

Chairman ROCKEFELLER. Thank you, sir. I'll just ask one more for this round.

As I mentioned in my opening remarks, I want our relationship to be open and cooperative, with the understanding that we're all working toward the same goal. In order for that to work, we need to have access, as Vice Chairman Bond indicated, to the information that we need to do thorough and fair oversight, which is what we are all about. We do oversight.

Intelligence activity should be notified to all Members of the Committee. The National Security Act of 1947 has something to say about that. The only exception I think that is valid and the one envisioned in the National Security Act of 1947 is in those rare occasions when an intelligence activity, such as a covert action, is imminent and is of such operational sensitivity that its exposure could endanger lives and severely damage our national security.

Now, this excludes large, ongoing intelligence collection programs like the CIA's detention and interrogation program and the NSA surveillance program. It is my view that overly restrictive Gang of Eight notifications given to the Congress on these programs ultimately undermine their effectiveness and the Congress's confidence in their effectiveness. And they've caused legal problems and I think some damage to the reputation of the United States.

So my question, very briefly, is, do you believe that there are categories of information—and you may wish to think about that; simply tell me that—categories of information that should be withheld from Congress, for reasons such as I've stated, or notified only to the Chairman and Vice Chairman of the Intelligence Committees in the House and the Senate? And if so, what kinds of information?

And second, will you do everything in your power to ensure that all Members and staff of this Committee have access to the information they need to do their jobs?

Admiral MCCONNELL. Well, sir, as I tried to capture in my written responses to your questions and my opening remarks today, as a general philosophy now and when I served on active duty before, I understand the responsibilities of Congress, and my philosophy is to provide the information you need for your oversight responsibilities.

Now, there are some exceptions that have been captured in law written by the Congress and approved by the President that will make some exceptions. I would hope that those are very rare and few exceptions. And, as you outlined, it would be mostly in an operational context when life and limb are at risk.

Chairman ROCKEFELLER. My time is up, and I thank you, sir.

Chairman Bond—Vice Chairman Bond.

Vice Chairman BOND. Thanks for the temporary promotion.

Admiral McConnell, we've talked about cooperation and collaboration. Everybody knows that's important. But you also noted that can be a delay. I think I know the answer, but just for the record, are you willing to shake up the community, break some rice bowls, make unpopular decisions erring on the side of decisive leadership in the community when consensus cannot be achieved and sharing is not occurring?

Admiral MCCONNELL. The short answer, Senator, is, yes, I am prepared to do that. I am a consensus builder. I do listen. But at some time, you have someone in charge for a reason, and that means if you have to make a decision to break through an impasse, you have to decide and move on, and I'm prepared to do that.

Vice Chairman BOND. Well, I look forward to supporting you in those efforts.

Turning now to the intelligence community financial management, there are a number of things that need to be done. Let me ask a couple of questions. They may come together, but do you think there are milestones that should be set for achieving timely and unqualified audits? And would you give the DNI, as head of the IC, direct appropriations of all NIP funds, rather than the current situation in which Department of Defense NIP funds are approved through the DOD?

Admiral MCCONNELL. Well, sir, as I think was made reference in the Chairman's opening remarks, there's a difference between building a budget and executing the funds. And the way it was described is DNI has a responsibility for overseeing the budget bill; execution is decentralized. Based on my findings so far, I'm concerned about how you describe the financial statement or an audit. As you know, we haven't been successful in doing that. That's an area that I have started to look into, I am concerned about.

And the way I would frame it is somehow recapturing the timely excellence that we enjoyed years ago, 1960s, 1970s, to move with speed to capture significant capabilities, as compared to today, when it takes us so long to build something. So can we move better and be better in the acquisition cycle? Can we do the budget bill so there's some stability? And to go to your question, can we audit

it with the competence of how it's audited in industry today? That's the thing we need to focus on.

Vice Chairman BOND. OMB has put out the financial management line of business guidance. Do you think it would be helpful and could you achieve creating a cost-effective single software system that would aid in achieving a clean audit opinion?

Admiral MCCONNELL. Sir, in my professional life in the private sector, I've had a chance to observe that. That is not an easy thing to do, but it is necessary. To get to what you're describing in terms of clean audits that will pass and meet generally accepted accounting practices, my belief is we are going to have to look at something like a software package today that would help the community account for—it really should be described as what are the auditing procedures, what are the control mechanisms, and are they adequate for us to meet financial requirements.

Vice Chairman BOND. Let me just finish up with a question on the item I referred to earlier—the ideological battle, understanding radical Islam, what's driving them. Are there steps that you can tell us about that the IC should take to win this battle, to understand it better or to counter it? And can you take steps to see that this entire operation is adequately funded?

Admiral MCCONNELL. Senator, that would be one of my highest priorities to address. I would note it's a complex answer to your question. We live today with security rules that literally were established in World War II and served us well—World War II and the cold war.

Many of those rules prevent us from, for example, using first-generation Americans who might have native language capabilities from serving in some of these very sensitive positions in the intelligence community. My view is, we're going to have to look at that very hard to reform it to do what you're talking about, to get inside, understand, and perhaps influence the ideological battle. I agree with the way you captured it; it's the ideological battle that's the bigger problem.

Vice Chairman BOND. I really hope you will start using more first-generation Americans who speak the language and understand the people. That is really important. Thank you, sir.

Admiral MCCONNELL. Sir.

Chairman ROCKEFELLER. Thank you, Vice Chairman Bond.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

First I listened intently at the rice bowl admonition. But I do wish at this time to acknowledge that I felt John Negroponte did a very credible and outstanding job in his tenure, beginning in April 2005, as the head of this organization that you're about to be confirmed for. And I think there are many of us here who would like to join in acknowledging that public service that he gave in breaking ground and establishing this very important office. And I hope you weren't referring to his rice bowls.

Vice Chairman BOND. No, he had to break some with the CIA—I'll talk to you offline some of battles that he did win.

Senator WARNER. Well, and just a suggestion that you carry on in the traditions that he did. I thought he did a good job.

I also listened carefully to you acknowledge that you had met with Secretary Gates. I think that's a very important thing, first step. But having served for 29 years—or most of it—in naval intelligence, you recognize the value of intelligence to the on-scene commanders, whether he or she has four stars, or they're a ship commander of a small LST. It's an island of America in some far part of the world.

They need a certain amount of infrastructure permanently to keep them advised and to assess the massive amount of material that's growing in the intelligence community in order to keep their crews safe and to perform their job.

So as you look over what DOD's doing today, I have followed it very closely, given that I once wore a hat as Chairman of the Armed Services Committee. I'm still a Member of that Committee. But during that period of time, I must say I was somewhat protective of the infrastructure that I feel is essential for that department.

And they're full partners in the overall organization with which you'll soon have the responsibility. But they do need that help, given the importance of their jobs.

Can you sort of assure me that that's your vantage point from whence you will start on this?

Admiral MCCONNELL. Yes, sir, Senator Warner. You're describing my roots. That's where I came from. I understand it. And I very much would focus on protecting our troops or our sailors, airmen around the world in any capacity.

The interesting observation I had in a previous life, when I was on active duty, is there always seemed to be some divide between national and tactical. And those of us on the tactical side struggled regularly to have the benefit of national sensors. So I understand how that works, and I think the right answer is to make it serve the interests of not only the forces forward, but national interests. And they can be balanced. It's a matter of being informed and understanding your customer, whether it's the White House or the foxhole.

And I want to put a great deal of my time and energy making sure that we're optimized for both of those and never, ever lose sight of the fact that we owe it to our forces forward to give them the very best support.

Senator WARNER. Well, we had an interesting chapter in legislative history when we put together the legislation which created your office and other revisions in the intel community. By and large, they were constructive. They were well done. But I hope that from your vantage point, if you see the need to refine that legislation, that you will so advise our distinguished Chairman and Ranking, the balance of us on that Committee, and we'll turn too on that subject.

But once again, I'm pleased that you recognize the importance of what the Department of Defense has and its need to preserve those tactical resources and infrastructure.

My last question relates to the expertise that you've had in cyber security. Some years ago, I and other Members of the Armed Services Committee recognized the criticality of that problem. And we constructed, with a few funds we stole from here and there, a

scholarship program for the Department of Defense, whereby young persons today can select a university or college of their own choosing, provided that learning institution has an expertise, spend 4 years, and get a degree in cyber security, in return for commitments of several years of service in the Federal Government or the United States military, as the case may be, to apply the skills that they learn in that very important subject.

I'm hopeful that that program will continue, but I urge you to augment other means by which to encourage young people to come into that somewhat narrow, but absolutely critical profession in our intelligence community. Do you have a comment on that, given your many years of experience?

Admiral MCCONNELL. Sir, I agree with that program and support it very strongly. When I was at NSA, years ago, we had a similar approach. And I'm familiar with several programs that provide scholarships for youngsters to focus in not only cyber security, but national security issues. Even as a member of the private sector, a number of us came together to create a similar scholarship for NSA.

So a very worthy cause, should enjoy a high priority. And since I've focused so much on cyber security, that's a personal interest. And I understand how important it is to the Nation, so I'd be very supportive.

Senator WARNER. Thank you very much, Admiral. I appreciate your once again stepping up to accept public service, together with your family.

Chairman ROCKEFELLER. Thank you, Senator Warner.

Senator Wyden.

Senator WYDEN. Admiral, I very much enjoyed our private meeting and thought you were refreshingly candid. I'm going to ask you some questions in a minute about private contractor practices, but I want to ask you first about the use of intelligence.

And my question is, if you were the Director of National Intelligence, and you became aware that the Bush administration was cherry-picking or exaggerating intelligence to justify going to war, what would be your response?

Admiral MCCONNELL. If I were aware that anyone was using information inappropriately, then I would make that known to whomever was using the information inappropriately.

Senator WYDEN. You would tell the President and this Committee?

Admiral MCCONNELL. I would tell all those responsible for this process what the situation was. And in the role of this Committee for oversight, you would be a part of that process to be informed.

Senator WYDEN. Admiral, I think that's a patriotic and commendable answer, and I thank you for it. And that was along the lines of what I was hoping for.

Admiral, it's troubling how little information is available about the private contractors who are doing an increasing amount of work that's being done by the intelligence agencies. And right now, this Committee doesn't even know how many contractors are employed by the intelligence community because so far, the Director of National Intelligence hasn't been able to inform us. Do you have

even an approximate number of how many of these private contractors there are?

Admiral MCCONNELL. Senator, I don't know that figure now. I had some general ideas years and years ago, but let me capture it in a way that may be helpful. When I think of Government, military, or intelligence community—whatever—the Government doesn't make things. It's people doing work. And so if you need to buy something like a tank or a satellite or airplane or whatever, that's done by the private sector. So when you say contractors, I would describe it as private sector.

With regard to your question about too many contractors, I would describe it a little bit differently. The private sector maintains a significant capability. Post-9/11, the Government found itself in need of special skills and special talent, and they were not available inside the Government. So the Government turned to the private sector to get some special skills and capabilities.

So, from the way I think about it, that's the goodness of the American system, that you have that sort of talent ready and available.

Senator WYDEN. What jobs, Admiral, do you believe are too important or too sensitive to be performed by contractors? In your statement, you say, well, we ought to use them, but sometimes we shouldn't be using them, and I'm trying to figure out what the line is. What jobs are too important or too sensitive to be performed——

Admiral MCCONNELL. Actually, Senator, in anticipation of your question, I looked to see if there were some regulations inside Government that would define that, and as a matter of fact, there are. It's an OMB circular. I don't recall the number, but I could get it for you. But it talks about things like command or major decision-making or awarding contracts, but things that it describes as inherently governmental. But how I would think about it is decisions that are uniquely reserved for the Government or any kind of command decision where you would involve using forces to do something like military activity or law enforcement, that sort of thing.

Senator WYDEN. So you wouldn't be likely to want them to be interrogators, for example?

Admiral MCCONNELL. I can't imagine using contractors for something like that, but——

Senator WYDEN. When we met in my office, I asked you about your role as a contractor for the John Poindexter program, Operation Total Information Awareness. We derailed it when we found out about the betting parlor idea.

And I'd like your views regarding intelligence collection and how we balance the need to fight terrorism ferociously, while still protecting the rights of our citizens.

Admiral MCCONNELL. And therein is the challenge, Senator, and I enjoyed our conversation in your office also. Let me just repeat how I tried to frame it at that time.

Senator WYDEN. Starting with the involvement with the Poindexter program.

Admiral MCCONNELL. Indeed. The United States invented, created most of the technology that we refer to today as the Internet. I tend to think of it as instantaneous global communications. I could take a credit card—and I have done this—whether I was in

the Middle East or Hong Kong or Australia or San Francisco and used that credit card for my personal benefit to make a purchase, to buy a meal or something.

On occasion, that credit card would stop, and I would be required to speak with someone that administered the credit card to answer some questions. And why was that? The credit card systems have what's embedded—included called data mining. It's a process to prevent fraud or waste or so on. And so some trigger had been made with regard to the profile, and so it was flagged for an operator to intervene.

When I describe our financial system, global communications, what's happening to us today is the terrorists are using those very systems for their own benefit. Think of it as command and control for remote terrorists who have a particular ideology they're attempting to spread, so they can communicate around the globe, instantly around the globe. As I sat in my office a couple of months ago, in the course of 6 minutes, I had three exchanges with one of my partners in Tokyo. That's just how quickly it moved.

When DARPA, the Defense Advanced Research Projects Agency, wanted to engage in a program to move the state-of-the-art of data mining from where it was to where it could be, they chose Admiral Poindexter to run that program.

There was a competition, and a number of contractors competed for that work. I was one of those competitors. And so another firm and my firm won the work.

Now, interestingly—although I'm not a technical expert—we had lots of technical experts. I was more of an operational adviser. My advice during that evolution was to talk about how information could be used and to be very clear about how it could be applied under today's laws, rules, values, Constitution, regulation. Unfortunately, my argument did not persuade and convince those who were making the decisions inside Government for how they might describe it.

So if your question to me is should we be doing advanced R&D, yes, sir, I think we should be. Should that R&D, should it produce something, be used in the way you described it? I don't think so.

Senator WYDEN. Mr. Chairman, I'm over my time.

Admiral, I appreciate your thoughtful answers. I would just say, as we tackle this issue and strike the balance, there's a difference between information that's voluntarily supplied, which is the credit card information, and that secretly collected by the Government. I look forward to working with you in the days ahead.

Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Thank you, Senator Wyden.

Senator Mikulski.

Senator MIKULSKI. Thank you, Mr. Chairman.

Admiral McConnell, once again I'm very glad to see you. I was glad to work with you when you were the head of the National Security Agency, which is located in Maryland, from the time period of 1992 to 1996, a time of great transition, and also our robust talk in my office.

We want to welcome you. And I personally feel that it's just great that you're willing to come back in Government service. I believe you're a man of great personal integrity. I believe you come with

great technical competence. And you certainly are committed to the core mission of the agency—and the fact that your family is willing at this point in your life to forego some of the things, from having you at home and the benefits of being in the private sector.

But let me get to my question, and it's what I said in my office and it's what I want to say here. You are a man of the military. And my question is, what does that mean in respect to being the DNI? Having great respect for the military, at the same time it is a culture of saying yes. The military by its very culture says yes to the Commander in Chief. At the same time, the job of intelligence is to prevent terrible things from happening and also to prevent the United States from making terrible, reckless mistakes. In other words, speaking truth to power.

Given your background and where you come from—your great diligence, dedication and achievement—my question to you is, tell me how we can count on you to speak truth to power?

We have just gone through a terrible time of what I call the "gaga" factor, where those—before the DNI was created—the minute they walked into the Oval Office we heard, "We can slam-dunk this, Mr. President." Colin Powell was sent up by the intel agencies to testify at the United Nations, the most esteemed man in America, and again with flawed intelligence. The information on Iraq was dangerously incompetent.

My question to you is that as you do the work of the DNI, how can we count on you to speak truth to power so these terrible and reckless mistakes won't happen again?

Admiral MCCONNELL. Senator, I believe that the first calling of an intelligence officer is to do just that—speak truth to power. In my career, I hope I have a reputation for having done just that.

There have been many intelligence officers—I'll just use the Navy as an example—we're not combat arms, we don't command ships, we don't command airplanes, we don't have lots of resources. So if you're going to be relevant, you have to have something to say and you have to be able to stand on your own two feet. So there have been a number of occasions in my career where I had to not be popular, but speak truth to power. What I found is when I did that, and I did it forcefully and I did it well, my reputation grew.

So I've lived it; I learned it; I believe it. And so I can only tell you that that's what I'll do.

Senator MIKULSKI. First of all, I take you at your word. I mean, there's no doubt about taking you at your word. Will you have at the DNI's office a channel for dissent?

I asked the same question of Ambassador Negroponte during his confirmation. At the State Department such a channel exists, and he also began to establish this at DNI, so that where there is legitimate dissent—and I'm not talking about personnel issues or EEO issues, but really on analysis or on issues related to collection, or on other things—where something would get to the top so that the boss would know that there are flashing yellow lights and even someone calling out, perhaps, a red light or a fire.

Could you talk about how you've either established such a channel in previous positions, or would you continue the Negroponte development of such a channel—again, always so that you would have the best benefit of what was going on?

Admiral MCCONNELL. Senator, I couldn't agree with you more that a manager, a leader has to know what's going on in the organization, and there has to be a channel or multiple channels for dissent.

The way I would think about it—there has to be a formal channel and there has to be informal channels. The way I have personally handled that sort of thing is I like to do what I call management by walking around. I know many members of this community. I've already started to re-establish contact. It wasn't uncommon for me when I was in the previous tour, NSA or Joint Staff, to call up the junior analysts on the desk and say, "What do you think? How's it going?" So I found that has been effective because people know I do that, and it provides a channel of information to flow to me. So it sort of keeps the system on its toes.

Now, that said, I've talked to those who are overseeing the analytical improvements, and they've brought in some people from the academic community with regard to how to do this in a more structured and formalized way—challenge assumptions, challenge the fact base, alternative analysis, red teams.

And one of the things I'm very pleased with is any time a series of conclusions were being drawn, there is now a red team that's assigned to attack that NIE or whatever it is. It's something that I did previously. It's something that we do in industry all the time. Any time we think we've got a good idea, we run a red team against the idea to test it. So formal and informal—and I agree with you, it has to be a part of the process.

Senator MIKULSKI. Well, thank you very much, Admiral. I intend to support your nomination, and I think we're blessed to have you back.

Admiral MCCONNELL. Thank you, ma'am.

Chairman ROCKEFELLER. Thank you, Senator Mikulski.

Senator Snowe.

Senator SNOWE. Thank you, Mr. Chairman, and welcome, Admiral McConnell. I appreciate the fact that we had an opportunity to meet and also the fact that you're willing to return to public service.

One of the questions I wanted to ask you this afternoon was an article that appeared in The New York Times this last week, and it talked about a story about our soldiers in central Baghdad on Haifa Street. One of our soldiers was shot in an apartment, and they weren't sure where the shot came from, and tragically, he died shortly thereafter. They were trying to figure out where the gunfire came from. And then they thought perhaps that it was shot by an Iraqi army soldier operating directly beneath them—obviously, that hasn't been ascertained—and that the Iraqi army unit wasn't even supposed to be there at that point in time, but they didn't have communication links with their Iraqi counterparts because it was an Iraqi operation, as senior officers repeatedly emphasized, and the Americans could not order the Iraqis to get back in line. There was nothing they could do.

Further on in the article, there was a description of the young man telling our troops about a terrorist hiding in the slums behind the apartment buildings on Haifa Street's eastern side. And the

soldiers felt that it was impossible to know whether the boy had legitimate information or would lead them to an ambush.

That summed up intelligence in Iraq, they said. There's always the threat of being set up for an attack or an Iraqi's own agenda.

Now, I think that's obviously disturbing, and given the fact that our troops are going to be embedded with Iraqi army units and engaged in going from street to street, neighborhood to neighborhood, apartment to apartment, I do see these repeated incidents. How would you characterize these types of incidents as the principal adviser to the President?

Admiral MCCONNELL. I would say they're unacceptable the way you've described it.

Senator SNOWE. I'm reading it from The New York Times story this week.

Admiral MCCONNELL. I don't know the details. I served in Vietnam years ago, and there were some similar circumstances. And so I think the way you address it is, you have to provide a level of security to control an area.

So I see it more as a military question. I listened to General Petraeus's comments to the Senate when they were doing his confirmation, and there is an approach. So when I think about it, one of the biggest challenges to this problem is providing a level of security that would prevent the sort of thing that you're describing.

Senator SNOWE. Well, what about the intelligence? Would there be anything you would do differently? I mean, if you thought that there was a level of infiltration or penetration in these units that subject our troops to great risk, obviously the quality of the intelligence is important, and that's obviously what our soldiers were saying at that moment in time. And that's a tremendous threat because we're weighing in the midst of sectarian violence and conducting, frankly, urban warfare.

Admiral MCCONNELL. You're describing one of the areas of intelligence that needs probably the greatest deal of attention and improvement. As I mentioned earlier about using people who speak the native language, understand the culture and the tribal conditions and so on, my sense of it is, that's the area that we have not gone as far as we need to go in making the kind of improvements you're describing.

Senator SNOWE. Well, it's certainly disturbing. This morning Brent Scowcroft told the Senate Foreign Relations Committee that the Iraqi army's not sure who it's fighting for, whether it's a sect or an ethnic group or a state. So it just obviously elevates and accentuates the risk.

So, what would you be prepared to do in this new capacity to make sure that our troops have the right kind of intelligence?

Admiral MCCONNELL. Well, one of the things I have to do is to understand it better. And, as was questioned and asked about earlier, the intelligence support for the troops forward, those on the ground, engaged in combat, that's one of the most important things we do. And so what I would do is look at the problem, see what kind of improvements could be made. I think there are some structural things that can be done. I think there's some rule changes that can be done.

However, Senator, I would say this is not something that you would improve literally overnight. This is an approach to a combat and a situation that's very different from what we faced in the past.

Senator SNOWE. Well, I know, and that's the very reason why I'm asking the question. And I would hope that you would give this your highest priority in assuming this new position, given the fact you are the principal adviser on intelligence to the President. I hope you would not hesitate to raise this risk, and also that you would do everything you can within your capacity to make sure that they have the kind of intelligence and are massing the intelligence necessary to protect our troops.

Admiral MCCONNELL. And the emphasis on improving human intelligence, which is not only just the CIA, but also includes the military services, is intended to do that.

But I would assure you that, if I'm confirmed, that's one of the areas that I will focus on to ensure that we achieve improvement.

Senator SNOWE. Would it be something very different from what the department is doing now?

Admiral MCCONNELL. I believe it would be. But let me get into that and I can tell you—I'll come back to you with what I find out.

Senator SNOWE. I appreciate it. Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Thank you, Senator Snowe.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Admiral, I thank you for your willingness to come back and return to public service. It is a sacrifice for you and your family, and we appreciate you very much, more than you'll know. And you've certainly got a challenge ahead of you.

Just following on with what Senator Snowe was commenting on there. As you and I discussed privately, I have a real major concern about the level of intelligence and the capabilities that are ongoing in Baghdad, and for exactly the reasons that Senator Snowe alluded to.

I know you're going to have an awful lot on your plate early, but we've got a new strategy in Iraq; we've got a new sheriff in town over there who is a great soldier and I'm very confident he is going to do an excellent job of carrying out the President's new strategy. However, unless he's got the proper tools to work with, it's not going to be possible to achieve success. And in my opinion, the number one issue is the lack of good, succinct intelligence getting to the warfighter within real time. And that's not only got to come from personnel who will be directly under you, but it's got to come from the citizens of Iraq.

So it's going to be a twofold operation that you're going to have to carry out, getting your people to do the job—and Mike Hayden and I have talked about this, and we'll continue to dialog about it—but you've also got to make sure that we do a better job than what we've done of winning the hearts and minds of the Iraqi people within the intelligence structure.

We have had a serious deficiency in our HUMINT capability that was pointed out particularly following the incident of September 11

and our investigation into the intelligence community. Again, you and I have discussed this.

And I wonder if there are any glaring deficiencies that you have noticed just from your cursory review of the intel community in preparation for this that you see that can be improved significantly from an initial standpoint regarding our HUMINT capability.

Admiral MCCONNELL. Sir, my impression so far is perhaps we can put more emphasis on diversity in our approach—meaning, as I mentioned earlier, native speakers, people who would blend in, those who could understand the cultural-tribal-sectarian kinds of issues at the level of the people that are engaged in activity. And then I think our HUMINT capability, once we're there, would start to be significantly improved. So that's an area that I'm concerned about. In fairness to those who are pursuing these areas, I have not yet engaged in a fine level of understanding of just how much progress we've made, but that's something that I certainly intend to pursue, if I'm confirmed.

Senator CHAMBLISS. I want to second what Senator Bond said too about the applicants for these jobs, and I would just note that there is a current employment announcement for one IC organization that requires that all applicants and their immediate family members must be U.S. citizens, which includes their spouse, children, parents, siblings, foster parents, half, step and foster siblings, adopted step and foster children and cohabitants, which, by definition, obviously would include not any first generation American. And all that's spelled out in the advertisement for employment.

We've got some serious issues there that really do need to be addressed. You're not going to be able to find folks who are going to be able to speak the language unless you go to them, recruit those folks who grew up speaking that language.

So thanks again for your willingness to come back. We look forward to working with you, and we certainly wish you the best in this significant challenge you have.

Admiral MCCONNELL. Thank you, sir.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Thank you, Senator Chambliss.

Senator Burr.

Senator BURR. Thank you, Mr. Chairman. Admiral, welcome. It is good to have a Carolinian at the table. We're outnumbered in Washington.

I've had an opportunity to sit and, as my turn came up, to reflect over some of the articles that have been written since the President made your nomination, and they've dealt with your being a professional spy. They've dealt with the Pentagon relationship. They've dealt with your level of independence, and they've even dealt with your business post-military.

I want to say and be on the record, that I think it's important to have a professional in this role. I think that one who understands the Department of Defense gives us a unique ability to understand the degree of separation and leadership that we need at the DNI.

I think the article about your independence was a surprise to some, that so many had shown examples—real examples, historical examples—of where you had shown independence from even the

Administration and those who might have been above you. And as somebody that came to Washington out of business, I see absolutely nothing wrong with the fact that after your career in the military, you went out and made some money. I think it would probably serve us well if everybody had an opportunity to do that up here before they came.

So I find absolutely nothing in your business background that would disqualify you. If anything, these articles told me that we had a nominee who was not only a professional, he was successful. And with success comes a degree of judgment that I think is absolutely essential in the role you're going to play. So I overwhelmingly support your nomination, and I hope we will move very quickly.

I want to take a different tack from the standpoint of questions. We've all got questions that will deal with the threats du jour, regardless of where they are. Let me ask you about two specific areas if I can. You referred, in your questions and answers, to energy as a national security issue. Can you expand on that slightly?

Admiral MCCONNELL. Sir, what I mean by that is our dependence on foreign oil sources. And what I worry about is something like Venezuela now, where energy can be used as a weapon. So understanding it and how it might be controlled is something, I think, that not only the others in the Federal Government, but also the intelligence community needs to understand and get ahead of, think about it.

So much of intelligence is forecasting what might happen. "Alternative futures" is how we like to describe it. So when I look at problems facing the Nation in the future, I think our demand, almost insatiable appetite for energy, particularly with the growth of India and China, is going to put increasing pressure on the Nation to compete for energy resources. So that's what I mean by that.

Senator BURR. Do you see our role at trying to predict what the energy future looks like, and how that may or may not affect our national security, as the role of the intelligence community, or is there another area of government that should have that mandate to be the one in charge?

Admiral MCCONNELL. What I see the role of the intelligence community to be is to look at hard problems and talk about them. I go back to Senator Mikulski's question about speaking truth to power. Many of these problems are not very pleasant to deal with, to think about. So for me, it is to spend some time and energy looking at the problem and attempting to come up with a forecast of at least options on what we might have to deal with, and then serving that information up to the policymakers who have to deal with it.

Senator BURR. On another subject, have we lost sight of Russia as a strategic threat to the United States?

Admiral MCCONNELL. Senator, you probably have heard about mission managers in the community now to be focused on problems of concern. And I've talked to some of the mission managers and I'm very impressed. They look at the problem from the analytical standpoint, the collection, and they integrate across the community. They challenge assumptions and conclusions, do a little red-teaming, that sort of thing.

And where I am in my thinking at the moment is to take a look at Russia, because there isn't a mission manager for Russia. I think we need to understand it. We need to know where it's going. And having someone focused on it as a mission manager at the national level would serve us well to stay focused and continue to review it.

Senator BURR. The last question, Mr. Chairman.

Does the fact that oil is now $57 a barrel—I think today, $56 and some change—increase the likelihood that we should look at Russia as a strategic threat?

Admiral MCCONNELL. Sir, as you know, Russia, because of that increase in oil prices, is significantly advantaged in terms of resources right now, in terms of what they get for their oil. I've been troubled by some of the trends in Russia over the last year or so. So that's a scenario that needs attention and focus and, again, producing those forecasts on where it might be taking us.

Senator BURR. Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Thank you, Senator Burr.

Senator Whitehouse.

Senator WHITEHOUSE. Thank you, Mr. Chairman.

Admiral McConnell, thank you for your willingness to return to the service of your country. I will be enthusiastically supporting your confirmation. I don't want to hide the ball about that. But I do want to let you know that we are really counting on you. The environment that you arrive in is one in which there is considerable belief and reporting that the intelligence evaluations process developed over many years was subverted to allow favored, if not flawed intelligence to rise to the top. We have witnessed colossal intelligence failures. There is significant concern that political signals emanating from the White House have in the past clouded the intelligence function, and that puts the intelligence function in this country under particularly high scrutiny right now. And I know you're well aware of that.

I'm also keenly aware of the personal sacrifice that you are undertaking to assume this position. As the son of a Foreign Service officer, I'm somewhat sensitive to what wives and children, and I guess even grandchildren have the opportunity to experience, and it's not always entirely positive. And I know that the complexity of your personal affairs creates hazards that you are well aware of and that I'm confident you will be rigorous in avoiding and being cautious about.

As I said, it's been a rough patch for the American public, first having been told about weapons of mass destruction, then having been told that the mission was accomplished, then having been told that the small army that won the victory would be adequate to maintain the occupation, then having been told that we'd be welcomed with open arms and flowers, then having been told that de-Ba'athification was a necessary and good idea, then having been told that there was no civil war, and now being told that this surge or escalation was the idea of the Maliki government.

We thirst for candor, and we look forward to that being a virtue that you pursue assiduously. And I echo what Senator Mikulski said about the need of speaking truth to power.

So, with those premonitory words, sir, welcome back to Government, and Godspeed to you in your efforts.

Admiral MCCONNELL. Thank you, Senator.

Chairman ROCKEFELLER. Thank you, Senator Whitehouse.

Senator Feinstein.

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

Admiral, welcome. I want to thank you for the time we had together. I very much appreciated it. I happened to walk in when you were saying "management by walking around," which, as you know, I very much believe in. So I think that's all to the good.

Senator Wyden, I understand, asked you a question to which you answered very forthrightly, and that was, what would you do if an Administration were cherry-picking intelligence, would you bring that to this Committee. And I believe your answer was yes, you would. Is that correct?

Admiral MCCONNELL. Yes, ma'am.

Senator FEINSTEIN. Well, one of the sort of deeply held rumors around here is that the intelligence community gives an Administration or a President what he wants by way of intelligence. What do you think of that?

Admiral MCCONNELL. Well, if that were the case, it's inappropriate. I would be very sensitive to any influence and concluding assessment or whatever.

I have found out, however, I would note, as I've studied and prepared for this hearing and moved around the community, there's very intense focus on independence. I was particularly pleased to find the lessons learned of the 9/11 Commission review, the review done by this Committee and the WMD Commission are deeply held and have been meaningful to this community to improve going forward. These lessons learned are believed. And so there's intense focus on getting it right.

Senator FEINSTEIN. Thank you.

Now, tomorrow I understand a National Intelligence Estimate on Iraq, both a classified and unclassified version, is coming out. Have you reviewed those documents?

Admiral MCCONNELL. No, ma'am, I have not.

Senator FEINSTEIN. You haven't?

Admiral MCCONNELL. No, ma'am.

Senator FEINSTEIN. Well, I must say I'm rather surprised by that, because it really was the NIE on Iraq which was the basis on which many of us voted to approve the authorization for use of military force, and of course many things were wrong, both bad intelligence and wrong intelligence.

And we are faced with seeing a Navy man appointed to CENTCOM, carriers moving into the area, and an NIE coming out on Iraq. I'd like to ask that you take a look at that NIE, if possible, before we see it, and be able to provide some assurance that the judgments in the NIE have been red-teamed and are sound judgments. Will you try and do that, please?

Admiral MCCONNELL. Ma'am, as I understand it, it's scheduled to come out tomorrow, probably pretty early. I have been in the room when people have talked about the NIE. I know the process has been coordinated widely throughout the Government. I know that it has been subjected to review and challenges and red

teaming, but I don't know very much about the substance. That's what I meant by actually sitting and digesting the document. But I will take a look at it at first opportunity.

One of the things that I didn't do in preparing for this hearing is, as I mentioned in my opening statement, is to assume that I would be confirmed and then actually engage in all the substantive matters. So if I'm confirmed, you can rest assured that that would be my primary focus. Anything that's of this importance that we apply the lessons learned that we just discussed, it has to be challenged and considered with alternative futures, competitive analysis, red teaming to make sure we get it to the right place.

Senator FEINSTEIN. Well, will you be able to find out if that has been done, the red teaming, the competitive analysis on the NIE we are about to receive?

Admiral MCCONNELL. I am told it has happened. I will verify that as soon as I'm eligible to do that if I'm confirmed by this Committee.

Senator FEINSTEIN. I appreciate that. Thank you very much.

Admiral MCCONNELL. Yes, ma'am.

Senator FEINSTEIN. Thanks, Mr. Chairman.

Chairman ROCKEFELLER. Thank you, Senator Feinstein.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

First, I also enjoyed very much, Admiral, our meeting, and appreciate the opportunity to ask you some questions here.

I reviewed some of your writings and public statements, and, frankly, the ones I saw encouraged me. In 2000, you wrote that we need a public debate about how we conduct signals intelligence while protecting the rights and freedoms and privacy of our citizens, particularly as Congress writes the laws governing the use of SIGINT capabilities.

And last summer, you stated that, "We have to be more open. I understand we accept risk. My profession was to try to mitigate risk, but it is something we must do as a Nation." And I couldn't agree more with those sentiments. The intelligence community has many secrets, but the law cannot be secret.

Admiral McConnell, I've been deeply troubled by this Administration's illegal warrantless wiretapping program. There is no higher priority than the fight against terrorism, but I still think that we can fight terrorism while remaining true to American values and the rule of law.

If confirmed, will you commit to inform the full committee of any past, ongoing, or future instances in which the President has asserted constitutional authority to circumvent a statute?

Admiral MCCONNELL. Senator, before you came in, I responded to a similar question, and how I'd like to respond to that is, both my nature and what I believe deeply and what I've done in the past, in a general philosophy, is to work with these committees and ensure that they have everything that they need for the role that the Constitution gives this body for oversight.

So I would pledge to you that I would do everything in my power to get you the information that you need.

Now, that said, there is an Executive branch that has interpreted information in a way that perhaps wasn't fully agreed on this Com-

mittee. So I work in that environment, acknowledging that in some cases I would not control the documents or make the decision. But I can make the recommendations, and my recommendations would be to share with this Committee everything needed for you to do your job.

Senator FEINGOLD. And I want to be clear. I'm talking here about a situation where the President has asserted constitutional authority. I'm not talking about the guts of this stuff. I'm talking about the legal arguments. It seems hard for me to believe that there would be a need to withhold from the Committee instances in which that has been asserted—in other words, the fact of the assertion and the materials that related to it.

So I guess what I'd ask, in a different way, is, will you advocate in all cases that the DNI follow the letter and the spirit of all applicable law?

Admiral MCCONNELL. Absolutely, Senator. I would always follow the law.

Senator FEINGOLD. Our involvement in the war in Iraq is both unsustainable and counterproductive and, I think, needs to come to an end. But as we redeploy—and inevitably, at some point, we will redeploy—the situation in Iraq and the region will evolve, and we will need intelligence strategies applicable to a post-occupation environment.

Last week the Deputy DNI for Collection testified that there has been some development of these strategies. Will you encourage and pursue those efforts?

Admiral MCCONNELL. Yes, Senator, I would. This is a vital region of the world, and important to the United States, for many, many reasons. So I would revisit that issue if I'm confirmed, to focus on it as one of the areas that we need to make sure we're looking at it in all dimensions.

Senator FEINGOLD. The law requires that the National Counterterrorism Center conduct strategic operational planning for counterterrorism activities, including military activities, and assign roles and responsibilities to various departments and agencies. How can the NCTC and the DNI ensure that the roles and responsibilities assigned to the Department of Defense are adhered to?

Admiral MCCONNELL. The role of the leader of the NCTC is that he reports directly to the President for those matters, the way you described them.

I would work with Admiral Redd, who is the head of the NCTC, and with Secretary Gates, to make sure that we are doing what it is we need to do to coordinate and to provide the appropriate leadership to get those things done.

Senator FEINGOLD. Do we need to take another look at the DNI's so-called advisory tasking authority with regard to the Department of Defense?

Admiral MCCONNELL. I'm not prepared to say that we need to revise it just yet. I am prepared to say that I am concerned about several of the issues, and I won't be shy about coming back to this Committee to ask for help if I think that I need that help and I can't get it some other way. So far, my dialog inside the Executive branch has been very favorable to recognizing the issues, and we have agreement that we're going to work them. If we can solve

them, then I won't bring the problem to you. But if I need help, I won't be shy.

Senator FEINGOLD. Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Thank you, Senator Feingold.

Admiral, you were asked about Russia, and said that you felt that we need to know more about that and have a group of people working on it. Actually, that comports exactly with what Vice Chairman Bond and I jointly view as part of what we should be doing on our Committee—that we've spent so much time looking back, and we still have some more of that to do, but that the thrust should be looking forward and figuring out a way to make things come together, for the security of our country, through intelligence.

Last year, the Committee launched a review of intelligence in Iran, among a number of other countries. We're looking at a lot of different trouble spots, Admiral, and a lot of potential trouble spots, trying to get out 10 years ahead and figure out what's coming up. So Vice Chairman Bond and I agreed on this effort, and the effort's under way.

Unfortunately, our staff has been denied access to the intelligence documents underlying key analytical judgments of the intelligence community on Iran. Now we're making a good-faith effort—no product in sight, necessarily. We're just doing the work. This has gone on for almost 5 months. Our Committee has now been told that nothing will happen until you personally can make a decision. Were you aware of that?

Admiral MCCONNELL. No, sir, I wasn't.

Chairman ROCKEFELLER. OK.

Admiral MCCONNELL. I read a press article—I think it was this morning—about asking for some information, but I wasn't aware of the specifics the way you just outlined them.

Chairman ROCKEFELLER. The type of intelligence documents that I'm referring to were given to the Committee and reviewed as a central part of its 9/11 investigation and its Iraq intelligence review. These are also documents we will want to review for future studies, obviously. Now I don't want to review the rationale or the history for the continued withholding of these documents. I want a commitment from you that you'll provide these documents to us expeditiously, if confirmed.

Admiral MCCONNELL. Yes, sir. As you and I discussed privately, and as I testified earlier, my philosophy is to provide you with what you need to do your oversight responsibilities.

Chairman ROCKEFELLER. Thank you, sir. Let me just say generally, if you are not in a position to give that kind of commitment today, if you'd answered the question differently, I want you to feel free to come discuss with Vice Chairman Bond and myself the reasons for that, because we want to hear that—not necessarily a hostile meeting, but just an informative type of meeting.

A question on the Deputy DNI position. That position has been vacant since last May, and that's understandable in many ways. Mike Hayden left that position. Can we expect a nomination or a suggestion by you for that position fairly shortly?

Admiral MCCONNELL. Senator, that will be one of my highest priorities. When I looked at this job, being the principal intelligence

adviser to the President and his senior staff, that's a pretty full-time job. And paying attention to this community the way I think it needs to have some attention and to solve some of these issues is a full-time job. So I will push as hard as I can to find the right person to fill that spot, and I hope to do it as quickly as possible.

Chairman ROCKEFELLER. You have a military background—actually, you have many backgrounds, and that's all good. John Negroponte basically had a foreign relations background and he had experience with intelligence and experience with the military by definition of the nature of the places where he served. But in your case, you definitely have a military background. And do you think that there's importance in having a deputy who, therefore, is not associated with the military?

Admiral MCCONNELL. My preference would be to have someone who was in the community from the civilian side, not necessarily military. I wouldn't rule it out. But the preference would be someone with long experience, particularly working the current issues, who has standing and stature that could help me, if I'm confirmed, administer this community.

Chairman ROCKEFELLER. I regret to say that my time has run out. And I think somebody's manipulating this clock because that much time hasn't gone by.

Admiral, we have indeed been graced by the presence of close to a supreme person, who used to be Chairman of the Government Operations Committee and is now Ranking Member, and I think we will be joined by her Chairman here shortly.

But this is a signal moment in the history of the intelligence community, and we welcome you, Senator Collins, in every respect.

Senator COLLINS. Thank you very much, Mr. Chairman.

Chairman ROCKEFELLER. I may have overstated that a little bit.

Senator COLLINS. Mr. Chairman, I know that you have Members of your own Committee here, and I just want to make sure that they've had the opportunity to question before this interloper begins. You and your Vice Chairman very kindly invited Senator Lieberman and me to come today, and I very much appreciate the opportunity. But if you have your other Members who are eagerly waiting to question, I'd be glad to——

Chairman ROCKEFELLER. They have questioned.

Vice Chairman BOND. Mr. Chairman, I think since the Government Affairs Committee has been so deeply involved in our affairs, we on the Committee will be interested to hear the views expressed in the questions of the distinguished Ranking Member.

Senator COLLINS. Thank you very much. And again, my thanks to both the Chairman and the Vice Chairman for allowing me to come today.

Senator Lieberman and I worked very hard with the Members of this Committee to write the legislation, the Intelligence Reform Act, that created the DNI, and I have continued to have a great interest in how this position has operated.

Admiral, I very much appreciated your call to me when you were nominated and the opportunity to discuss with you several issues of concern, and I want to pick up on those conversations today. Efforts to change the culture of the intelligence community were an important consideration in the drafting of the Intelligence Reform

Act. What we wanted to do and what all of us share an interest in is creating the same sense of jointness that now, many years after the Goldwater-Nichols Act has become a reality at the Department of Defense. And clearly we're making some progress.

I remember visiting the Terrorist Threat Integration Center prior to the creation of the DNI and talking to John Brennan and his expressing great frustration that he couldn't get the analysts that he needed from the CIA and from other intelligence agencies to staff the Terrorist Threat Integration Center. I recently visited the National Counterterrorism Center, and it looks like we're making significant progress in ensuring that talented analysts from all the intelligence agencies spend some time working at the center. But I don't think that we've created within the intelligence community the kinds of career paths that reward joint service. And I'd like to hear your comments on that issue.

Admiral MCCONNELL. Senator, I couldn't agree with you more. I've had the opportunity to live through two major transformations, once in the public sector, in the DOD, and once in the private sector, in the firm in which I currently serve.

Both of those transformations were significant and they were achieved because of the incentives that were created for those who would risk getting out of their team or their service or their tribe or their association to cross over for jointness.

And one of the things that I will be taking a very hard look at is what is it we need to do, if anything, in the current legislative package with regard to creating for this community what Goldwater-Nichols created for the Department of Defense.

Senator COLLINS. I think that would help so much. If we can have it be a boost to your career to serve in a joint capacity, to serve at the National Counterterrorism Center, then, obviously, the best and the brightest will seek to do that, and that's something that I look forward to working with the Members of this Committee. Our Committee has some jurisdiction over civil service laws, if you need any assistance in that area.

The second issue that I want to bring up with you is information sharing. A major goal of the legislation was to remedy the failure to share information both across the 16 intelligence agencies in the Federal Government, but also with their State and local counterparts. And we all know that over and over again the 9/11 Commission, the Senate Intelligence Committee's report and the WMD Commission pointed to flaws and deficiencies in information sharing as being a major problem that we need to address.

And certainly, the intelligence community has made some progress on information sharing, but I'm concerned that we still haven't built the information networks, the IT security enhancements, the analyst training programs that will lead to effective information access, both horizontally across the Federal Government and vertically. And indeed, I'm in the midst of a bit of a battle with the Department of Homeland Security right now about the need to share information on chemical security—the security of chemical sites—with State and local emergency first responders and emergency managers.

How can we overcome those barriers to sharing information that could allow us to connect the dots to make sure that we're piecing

together all the vital elements of information regardless of where they're housed in the Federal Government and then appropriately sharing them, where appropriate, with State and local officials?

Admiral MCCONNELL. Senator, my view of how you address your second concern goes back to your first concern.

If we do that, and we do it well, we'll set up the culture and the framework around it.

But with that said, before you came in I had commented that many of our rules and regulations today were literally created for World War II, and they rolled over to the cold war, and they served us well. But this is a different age and a different time.

The way I think about it is an analyst today should be the center of the community. The analyst must know their customer, and that might be the chief of police in Seattle. You've got to know all your customers down to the State and local level. You have to know your sources; meaning, what are those sources out there? How can you task them? How can you rely on them? What confidence can you put in them? And then you have to be able to do the analysis. And the way I frame it, it's not a need to share; it's a responsibility to provide. So if we can get that enculturated in this community, I think we would do a great service to the Nation.

Senator COLLINS. Thank you very much. And again, my thanks to the Chairman and the Vice Chairman. You were very kind to allow me to come today with such an important nominee, and I thank you both very much for your leadership.

Chairman ROCKEFELLER. Thank you, Senator Collins.

Senator Bond, it would be your turn now.

Vice Chairman BOND. Thank you very much, Mr. Chairman. And I thank the distinguished Ranking Member from Government Affairs asking good questions that I hope that we will, with your help, be able to deal with in future measures.

Just for the record, I want to comment on a couple of things that have been said in response on interrogation to using contractors. Because of the cuts in the 1990s in the intelligence community budget, it's my understanding that a number of subspecialties were not available. And I would see in those instances where, if you have somebody from a very unique culture that needs to be interrogated, and you do not have in the IC someone who could fit that mold, speak that language, that a properly supervised use of a contract employee might be the only way to get badly needed information.

And the second point, just for the record, there has been a suggestion that the President was improperly asserting constitutional authority and violating the law on the terrorist surveillance program. As one who has studied constitutional law, I would note for the record my disagreement with that. I have reviewed the program, and I do not think that's an accurate characterization.

But moving on to questions—and if you have any comments on those, I'd welcome them—secondly, on human intelligence, I think the current obstacles to obtaining better human intelligence include a lack of collection, a lack of universally accepted tradecraft, an unwillingness to challenge assumptions, overreliance on intelligence from other countries or a liaison service, and a lack of sharing among IC agencies.

The creation of the National Clandestine Service has not solved the sharing problem. There appears to be some resistance to sharing outside the CIA. How do you assess the current state of HUMINT collection, including the effectiveness of the National Clandestine Service, and what steps could you as the DNI take to improve the IC's human intelligence collection?

Admiral MCCONNELL. Senator, some years ago, I think 1950s, 196's, there was a battle in the community with regard to authorities for signals intelligence. And decisions were taken finally to cause the Director of the National Security Agency to have responsibility for signals intelligence, or SIGINT, as we refer to it, with regard to establishing priorities overseeing the technology, ensuring it's conducted in an appropriate way, the training standards are right, and investments are correct, and so on.

In my mind, when I think about HUMINT, I think we would be advantaged if we had a similar framework. The National Clandestine Service, while they would not conduct all SIGINT, should establish the tradecraft and the training and the processes so that we at least have common standards, and we speak the same language, and we can collaborate and coordinate. So it's a model that's worked for us for 40-plus years, and I think we probably need to emulate that model in the HUMINT community.

Vice Chairman BOND. Good.

I have joined with several of my colleagues, from time to time in saying, there's an over-classification of certain information. And I've raised objections when I've seen that. On the other hand, I think that unauthorized disclosure of classified information from any source, not only has compromised sensitive information and operations, it can endanger human sources, undercover or covert operations. And there has been a deluge of them, which I believe has significantly compromised our ability to collect necessary information.

And one of the things that worries me is there has been no prosecution. Nobody who was in the IC or a contractor under contract obligations—nothing has happened to them. There appears to be developing a culture that it may not be so bad to leak sensitive national security information; you may get some good speeches and some good book contracts.

What can you do to change that culture?

Admiral MCCONNELL. Senator, I think this is one of the big challenges for the community today. On the one hand, we have to be more open, we have to share information, so on. But I share your view that if it is truly sources and methods that risks our ability to conduct the Nation's business in this area, that we need to be very aggressive in pursuing that. I have been, in the past, very vocal and aggressive with regard to going after someone who had leaked information that was inappropriate. And I must say—this is going back to my previous active duty time—there wasn't a commitment to follow up on that.

So, if I'm confirmed by this Committee, and I'm on the inside, I'm going to be pretty aggressive and try to bring some of this to closure, because I worry about exactly what you just described—a culture of tolerance. So on the one hand, if I'm confirmed, I want them to share, I want them to collaborate. On the other hand, we have

to protect these sources and methods, or we will give away our ability to do our business.

Vice Chairman BOND. Thank you very much, sir.

Chairman ROCKEFELLER. Thank you, Vice Chairman Bond.

Senator Wyden.

SENATOR WYDEN : Thank you very much, Mr. Chairman.

Admiral, let me pick up where Senator Bond has left off, because clearly it's essential to protect sources and methods and all that is necessary to protect our national security. But my view is that the classification system is absolutely out of control, totally out of hand. And you had a situation where Governor Kean, the co-chair in the 9/11 Commission, said well over half of the documents that he saw that were marked "classified" didn't warrant being classified. So that is one of our most recent experiences.

And while my good friend Senator Bond is here, I want to ask you about a matter that he has been very helpful to me on, along with Chairman Rockefeller, and that is getting declassified the last major report that is available about the 9/11 murders of our citizens. And that was a report done by the CIA Inspector General. We have been trying on this Committee, on a bipartisan basis, to get this report declassified for several years now. And I have not been given any answer by people in the Bush administration as to how keeping this report secret is essential to national security.

So my question to you is, if confirmed, will you work with this Committee to have this report declassified?

Admiral MCCONNELL. Senator, I certainly would work with the Committee. I don't want to commit to declassifying until I know what the content or the substance of the report is. But I saw a press article yesterday that gave me a little feel for it, didn't know much about it before that. But I would commit to work with this Committee to get to the right place.

Vice Chairman BOND. Mr. Chairman, if I might just chime in here. I have read much of that, and I think it has some very important lessons not necessarily much different from what our Senate Intelligence Committee report in 2004 laid out, or the Joint Intelligence Committee on 9/11. But it seems to me that this, once again, points out the problem when you have a DCI who doesn't really have power over the community, and he said we're at war. And yet, you know, what was done about it?

I think the IG's report would be very helpful. I know that there would be some identities, people who may have been lax would be included, but that's what these reports that we have put out of our Committee have done. We've talked about them. And I personally think that a properly redacted report, this information, should be made available. I also believe that there are efforts under way in the House to find out what was actually on the PDBs that were stuffed in BVDs. And I think that information could be very helpful in getting a full picture on why we were where we were when 9/11 occurred.

And I apologize to my colleague from Oregon for taking up his time.

Senator WYDEN. I thank my colleague for his help on this.

One last question, if I might, Admiral. What can be done to get professionally written National Intelligence Estimates to this Committee and to the Congress in a timely way?

We've now seen most recently in the debate now, with respect to the new Iraq resolutions, the debate we're going to have, that the Congress didn't have that information so that you could consider it when you were writing these resolutions. I guess we're going to get this, you know, momentarily. We need to make sure that we get this information professionally done in a timely way.

What can be done to address that and to speed up the delivery of that information?

Admiral MCCONNELL. Senator, all I can tell you is I would look at the process. I'm being sensitive to your question, understanding your question, agreeing with your need to have the information to make the decisions you have to make.

So I would take a look at it, and see if I could improve the timeliness in any way.

Senator WYDEN. Mr. Chairman, thank you for the additional time.

Admiral, I intend to support your nomination.

Admiral MCCONNELL. Thank you, sir.

Senator WYDEN. Thank you.

Chairman ROCKEFELLER. Admiral, I have couple of pro forma wrap-up questions to ask. The Vice Chairman may have more questions to ask. I have one more I do want to ask.

It's baffling to me the way—and understandable in many respects, because it makes for fast-breaking news, and all the rest of it, and excitement—but fundamentally, the Constitution says, we're meant to protect our people. And that's called homeland security and American individual responsibility. The homeland security part is a department. It is doing some very good work in some areas. It also, to me, has the sense of sort of wandering around on its own, without any real friends in high places, without many real friends, particularly, in OMB, and is woefully underfunded.

I often think of my own State, which is not among the Nation's largest, but we have a port in Huntington, West Virginia, which is actually the seventh-largest port in the United States of America. Now one of the reasons for that is that from the Ohio River all the way from Pittsburgh to Cincinnati, there are scores and scores of chemical plants and electric power plants which obviously back up onto the Ohio, as all of them must for water supply. There was a total of two fast, armed speedboats which were available to protect that vast amount of territory. And my senior colleague—Senator Byrd, who chairs Appropriations—went to work and got one additional boat. That's extraordinary to me.

I read in The New York Times this morning that it was decided that atomic power plants—and I think that's also a part of our future with respect to global warming, and also just the need—that atomic power plants didn't have to put up a particular kind of metal shield, because there would be a sufficient buffer against a plane that tried to crash into them and so forth.

I have no idea whether that was right or whether it was wrong. But what occurs to me is that the intensity of focus on Iraq resolutions and what's going to happen in Iran and what's going on in

Indonesia—all of that—is profoundly a part of our work, but also a part of your work is homeland security.

And I don't know the secret to that.

Part of it is that we now are in a pay-as-you-go basis. The Democrats, quite amazingly, decided to do that. It had not been our history, but is evidently our future, because the Nation's finances—public finances—are in shambles. So the people who are going to pay the price for that are at the local level.

Now, I want to extend my remarks for a moment. I have had each year, for the last number of years, what I call homeland security summits in West Virginia. I have been amazed and moved by how sheriffs and psychologists and all the people that you can think of involved—superintendents of schools—flooded from all over the State at their own expense to in fact, in most cases, come to a rather distant part of West Virginia, not far from Washington.

And we divide them up into classes, and we have people from the FBI and other places come in to talk to them. And their hunger is palpable. Their frustration is palpable. It was true—not necessarily, but at least 3 years ago—that of the 67 State police outposts in West Virginia, only 7 of them were connected to the Internet. The use of the telephone or simply getting to 911 was commonplace, is commonplace throughout the State.

Now, we have a state apparatus, a very aggressive person in charge of homeland security on behalf of our Governor, who testified recently before us. We also had the DC acting police commissioner, an extraordinary young woman, and her frustration here right in the middle of everything, at her inability to be able to contact proper authorities to be able to respond, in her case with a rather strong sense that this city is an obvious target. We're just not paying attention, and the papers and the television don't pay attention because it's called "local" business. Well, that's where all Americans live, in local places.

And I am just interested in your thoughts about that, sort of the way it's degraded in its priority when it in fact, is the essence of what our Constitution requires of us as representatives.

Chemical people really don't want Government regulations about what their security should be. And I can remember going, after giving an impassioned speech to all the chemical plant directors of my State, went back in about a year and they had put sidearms on people opposite from the river, where the workers entered the plant, and that was about it. Now, that's not fair to them at this point, but it was a fact, and that was clearly after 9/11.

So I'm just interested in your thoughts on that and your sense as being, hopefully, DNI, how that would bear upon the way you spent your time.

Admiral MCCONNELL. Well, Senator, as I commented in my opening remarks, and I think I included in some of my written responses, this ability to think domestically is, I believe, one of the biggest challenges for the DNI and for the community. We are trained for years to think external, foreign. That's our whole mindset. And as you know, the legislation and the follow-on process created the National Security Branch of the FBI and, as you're well aware, the Department of Homeland Security.

I think with the terrorists that are plotting today to carry out terrorist acts, they're going to try to do it internal to the United States.

Now, from a resource point of view, unfortunately that's going to be beyond my reach to be able to do very much about it, but with regard to agreeing with the way you outlined it and agreeing to visit with these people, championing their cause, talk to them, that's something I'm very much interested in.

One of the things that was mentioned earlier about my role in the private sector, I chair a group called the Intelligence National Security Alliance. In that group—which is a nonprofit; it just looks at problems and has a dialog—we have law enforcement officials. And what we are attempting to sponsor is something similar to what you sponsored in the homeland security summit. It's to bring the right players together and have a dialog and have some discussion so that they could contact their representatives, either in the Executive branch or on the Hill, to make the point because I think these things are areas that we need to address in a very serious way.

Chairman ROCKEFELLER. Thank you, Admiral. The Vice Chairman has additional questions.

Vice Chairman BOND. Mr. Chairman, you raised the question with the Admiral earlier about working with the Department of Defense, and we all know the tensions between the DOD and the DNI.

We understand that you have a long background and history with Secretary Gates, General Clapper and others. Do you anticipate that Congress will need to establish clear lines of authority or responsibility? Or do you believe you can resolve all those among yourselves?

Admiral MCCONNELL. Senator, that's a question in my mind. I'm not prepared yet to tell you that——

Vice Chairman BOND. Well, we would just request that—obviously you have the background for a very close collaborative relationship. If there are questions that cannot be resolved, we would like to know about it, and we'll try to help resolve them.

Admiral MCCONNELL. I won't be shy about taking a firm position. I'll engage, and if we make progress, that's the preferred way. But I would engage, and if I had to take a position, I would take the position, and if I need help, I will come ask for help.

Vice Chairman BOND. Thank you.

Chairman ROCKEFELLER. Admiral, do you agree to appear before the Committee here or in other venues, when invited?

Admiral MCCONNELL. Yes, Senator, I do. And I hope to visit with you when I'm not invited. I'd like to make it a regular event to come see you every few weeks or so, just to have a dialog about what's happening, and what I see, and what's on your mind.

Chairman ROCKEFELLER. Do you agree to send intelligence community officials to appear before the Senate—before our Committee, and designated staff, when invited?

Admiral MCCONNELL. Yes, sir.

Chairman ROCKEFELLER. Do you agree to provide documents or any material requested by the Committee in order to carry out its oversight and its legislative responsibilities?

Admiral MCCONNELL. I do, sir, with the caveats that we mentioned earlier, that sometimes it would be something beyond my control. But certainly provide you what you need to do your oversight responsibilities.

Chairman ROCKEFELLER. Will you ensure that all intelligence community elements provide such material to the Committee, when requested?

Admiral MCCONNELL. Yes, sir.

Chairman ROCKEFELLER. Admiral, that wraps it up. I have to say that I think your testimony has given me an enormous sense of hope and confidence. The tougher the question, the more calmly you answer it. And, as Vice Chairman Bond indicated when he was making his opening remarks, there's just never been a more important time for us to have you in place. The responsibilities are overwhelming. It's not an easy climate here in Washington right now. It strikes me that you have precisely the kind of personality, experience, strength, determination to accomplish the task. I thank you for appearing.

And this hearing is adjourned.

Admiral MCCONNELL. Thank you, Mr. Chairman.

[Whereupon, at 4:37 p.m., the hearing 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:___JOHN MICHAEL MCCONNELL_____
2. DATE AND PLACE OF BIRTH:_26 JULY 1943, GREENVILLE , SC_____
3. MARITAL STATUS:___MARRIED_____
4. SPOUSE'S NAME:__MARY THERESA MCCONNELL_____
5. SPOUSE'S MAIDEN NAME IF APPLICABLE:_____MARY THERESA WAGNER
6. NAMES AND AGES OF CHILDREN:

7. EDUCATION SINCE HIGH SCHOOL:

INSTITUTION	DATES ATTENDED	DEGREE RECEIVED	DATE OF DEGREE
Wade Hampton HS Greenville, SC	**1960-62**	**HS Diploma**	**June 1962**
North Greenville College Tigerville, SC	**1962-1964**	**Associate of Arts**	**June 1964**
Furman University Greenville SC	**1964-1966**	**Bachelor of Arts**	**June 1966**
The George Washington University, Wash DC	**08/1985-08/1986**	**MPA Public Administration**	**August 1986**
National Defense Intelligence College	**08/1970-05/1971**	**Strategic Intelligence**	**May 1971**
National Defense University (ICAF)	**08/1985-07/1986**	**Telecoms**	**June 1986**

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.)

EMPLOYER	POSITION/TITLE	LOCATION	DATES
United States Navy	**Officer Candidate School**	**Newport, RI**	**11/1966 -04/1967**
United States Navy	Damage Control School	Philadelphia Naval Shipyard	**04/1967-05/1967**
United States Navy	Survival Training	Dam Neck Naval Base, VA	**05/1967-07/1967**
United States Navy	Mobile Riverine Force Navy Task Force with US Army 9th Infantry embarked	Embarked in USS Colleton, Deployed in the Mekong Delta, Vietnam	**08/1967-08/1968**
United States Navy	Naval Investigative Service (now NCIS)	Yokosuka Naval Base, Japan	**10/1968-08/1970**
United States Navy	Nat'l Defense Intel College – Student	Anacostia Naval Station (Building since torn down - Old DIS)	**08/1970-05/1971**
United States Navy	Chief of Naval Operations Staff-Undersea Warfare Plot Supervisor	Pentagon- Arlington, VA	**05/1971-07/1974**
United States Navy	Commander Middle East Force – N21 (Current Intel)	Embarked USS Lasalle, Deployed to the Persian Gulf, home ported in Bahrain	**08/1974-09/1976**
United States Navy	Fleet Ocean Surveillance Information Facility – Ops Off	Rota, Spain (Intel support to Sixth Fleet)	**10/1976-10/1979**
United States Navy	Chief of Naval Operations Staff- Director of Naval Intelligence (009U)	Pentagon- Arlington, VA	**11/1979-06/1981**
United States Navy	Commander in Chief, Pacific Fleet – N22 Current Intel Off	Pearl Harbor, Hawaii Makalapa Naval Facility	**06/1981-06/1983**
United States Navy	Commander, Seventh Fleet N-2 Fleet Sr. Intel Officer	Embarked in USS Blue Ridge Home ported in Yokosuka, Japan	**07/1983-07/1985**

United States Navy	National Defense University (NDU-ICAF Class)	Ft McNair, Washington DC	**08/1985-07/1986**
United States Navy	EA to the Director of Naval Intelligence OPNAV 009	Pentagon- Arlington, VA	**07/1986-08/1987**
United States Navy	Chief of A24 (Soviet Navy Division – no longer exists)	NSA- Fort Meade, MD	**08/1987-07/1988**
United States Navy	Commander in Chief Pacific Fleet (N-2 Sr. Fleet Intel Off)	Pearl Harbor, Hawaii Makalapa Naval Facility	**7/1988-07/1990**
United States Navy	Joint Chiefs of Staff (J-2 Intel Officer for the Chairman)	Pentagon- Arlington, VA	**07/1990-05/1992**
United States Navy	Director of the National Security Agency	NSA- Fort Meade, MD	**05/1992-02/1996**
Booz Allen Hamilton	Vice President	8283 Greensboro Drive, McLean, VA 22102	**03/1996-10/2004**
Booz Allen Hamilton	Senior Vice President	8283 Greensboro Drive, McLean, VA 22102	**10/2004-Present**

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 government service listed in #8 above, I have been a Partner/consultant with Booz Allen Hamilton from March 1996 to present where I have served the national security and intelligence communities. Intelligence clients in my business group include NSA, NGA, NRO, CIA, DIA, ARMY/NAVY/USMC/AIR FORCE Intelligence and OSD. In addition to intelligence related issues, I worked on cyber security and information operations issues including strategy, policy and operations for the clients noted above and the Unified Combatant Commanders. In my "cyber security" and related work (1996-2003), I served the clients above and additional clients in the civil sector to include FBI, DHS, Energy, Treasury, and Commerce. My focus for the past three years has been to lead investments in creating new intellectual capital for the same clients, i.e., determine the issues and problems faced by the clients as well as trends in technology, demographics, threats, to produce service offerings that would help the clients and continue to build our business base.

On a pro bono basis I worked on an advisory panel administered by the Institute of Defense Analysis in 2003-2005 supporting the standup of Northern Command. My role was to address issues related to helping NORTHCOM conduct its new functions related to the intelligence mission with a domestic counter-terrorism focus. Also on a pro bono basis, in 2006, I supported an advisory panel for Strategic Command to address STRATCOM's new mission of global integration of ISR (intelligence, surveillance and reconnaissance).

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

As an all-source intelligence analyst in my military years I developed a "world view" and served in all major regions of the globe – Pacific, Europe, Middle East, Africa, Latin America, Indian Ocean. I learned the importance of knowing and understanding my customers (from fleet commanders at sea to the Chairman of the Joint Chiefs of Staff and the SECDEF during Desert Shield/Desert Storm), being intimately familiar with all available sensors and methods for collection, and deeply penetrating intelligence targets to collect, analyze and move information to my users in time and format to meet their needs. This included everything from understanding and holding the Soviet Navy at risk during the Cold War to rescuing Americans from crisis areas to combat success during Desert Storm. One of the most significant lessons for me during my career in intelligence is the importance of collaboration and sharing information for the IC to be effective – a lesson that is counter-intuitive for many. This is an area, if confirmed, that I would put considerable energy into as the DNI.

After serving as the Chairman of the Joint Chief's intelligence officer, I became the Director of NSA from 1992 to 1996. At NSA, the Worldwide Web burst on the scene in 1994 to make the Internet real for all to include those who wished harm to the United States. From the time I arrived at NSA in 1992 until the end of the decade, over 90% of the world's communications moved to be carried under ground or undersea inside fiber optic cables. These technology shifts (internet and use of fiber optics to connect global networks) changed the core of how SIGINT would to be conducted to meet the future intelligence needs of the country. I understand that many of the investment decisions we made during my time as the Director have borne significant fruit and are serving the nation's interests well.

On retiring from active duty in 1996, I became a Vice President/Partner with Booz Allen Hamilton. Serving national security, law enforcement, homeland security and intelligence clients since 1996 as a consultant, I followed events, issues, trends, policy, operations and technology in the Intel Community. Specific clients for which I had delivery responsibility include: Defense Intelligence Agency (DIA), Defense Information Systems Agency (DISA-NCS), Office of Naval Intelligence, Army Intelligence and Security Command, Air Force Intelligence Agency, US Strategic Command, US Northern Command, US Central Command, Naval Space and Warfare Systems Command (SPAWAR Systems Center, San Diego), DOD/Under Secretary for Intelligence.

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):

Attended college (North Greenville College and Furman University) on a National Defense Student Loan awarded because of need and my record in High School and at Furman Univ. based on my record at North Greenville College. I served as President of the Student Body at North Greenville. At Furman, I worked outside the University by teaching at a Junior High School and taking care of an elderly invalid man to earn the costs of my education. I joined the Navy in 1966 after graduating from Furman University.

In the Military, I earned the following awards over a 30 year career:
Navy Commendation Medal
Meritorious Service Medal
Legion of Merit
Defense Superior Service Medal
Navy Distinguished Service Medal
Defense Distinguished Service Medal
(Above does not include Unit Awards or Awards for service in areas like Vietnam)
Citation by Senator Specter, Chairman of the SSCI, in the Congressional Record for distinguished service when I retired from active duty in 1996
Awarded the Nation's Highest Award for Service in the Intelligence Community (signed by Pres Clinton in 1998)
Named one of the Top 25 Consultants in the US in 2002 by Consulting Magazine
Awarded an Honorary PhD in Strategic Intelligence from the Joint Military Intelligence College (Now National Defense Intelligence College) ~1994
Awarded an Honorary PhD from Capitol College in Laurel, Md in Technical Management ~1995
Recognized for service to the intelligence community by Naval Intelligence Professionals in 2006
Asked, in Nov 2005, to serve as the Chairman and CEO of the Intelligence and National Security Alliance (INSA) a non-profit organization focused on working with government to address issues and problems of mutual concern.

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):

ORGANIZATION	OFFICE HELD	DATES

Intelligence and National Security Alliance (INSA) – Became member, CEO and Chairman of the Board in November 2005 when INSA Stood up

INSA (Above) was known as the Security Affairs Support Association (SASA) before November 2005. I was a member of SASA beginning in 1992. Both SASA and INSA are non-profit organizations focused on supporting the national security and intelligence communities.

Armed Forces Communications and Electronic Association (AFCEA) – Member since 1996

Naval Intelligence Professionals (NIP) – Member since 1996

Tower Club in McLean, VA – Member since 1994, Member of the Board since 2004 (Dining Club)

Elected Vice President (Partner) at Booz Allen Hamilton since 1996, Elected to serve on Board of Directors 2003-2005 (nominal three year assignment). I was elected Senior Vice President (Senior Partner) in April 2005

SPOUSE's ACTIVITIES/Memberships:
GF/Great Falls Investment Partnership (investment club/bookkeeper)

Maryland Public Television (MPT) MEMBER
WETA Public Television MEMBER
WETA Radio MEMBER

Smithsonian Institution MEMBER
Chrysler Museum, Norfolk, VA MEMBER
Hillwood Museum, Washington, DC MEMBER
Washington National Cathedral, Washington, DC MEMBER

Ladew Topiary Gardens, Monkton, MD MEMBER
American Horticultural Society, Alexandria, VA MEMBER
London Town Gardens, Edgewater, MD MEMBER

Chesapeake Bay Foundation, Annapolis, MD MEMBER
The Nature Conservancy, Alexandria, VA MEMBER

AARP (American Association of Retired Persons) MEMBER (SPOUSE & DESIGNEE)
AAA (American Automobile Assoc) MEMBER (SPOUSE & DESIGNEE)

Carper's Farm Home Owners Assoc, Vienna, VA MEMBERS

Ashton Woods Home Owners Assoc, Moorefield, WV MEMBERS
Glassy Mountain Home Owners Assoc, Landrum, SC MEMBERS

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):

Articles	
Date	**Title**
February 1997	*AFCEA Publication; SIGNAL Magazine*: Digital Formats complicate Information Security Tasks co-authored with Larry Wright & Mark Gerencser
February 2000	*Wall Street Journal OpEd*: Get Serious About Cyber-Crime; Everyone on the Internet is an "Insider"
June 2000	*Defense Intelligence Journal; Joint Military Intelligence College Foundation:* The Future of SIGINT: Opportunities and Challenges in the Information Age
September 2001	*Strategy and Business Magazine:* Security, Strategy, and the Commercial Enterprise: co-authored with Dr. Ralph Shrader
March 2002	*IEEE Security & Privacy Magazine:* Information Assurance in the Twenty-First Century
May 2002	*Booz Allen Hamilton: Strategy and Business Magazine:* Security and Strategy in the Age of Discontinuity: A management framework for the post 9/11 co authored with Dr. Ralph Shrader
March 2006	*Whitepaper:* "Future of Intelligence Analysis" for University of Maryland School of Public Policy

Speaking Engagements/ Speeches	
Date	**Title**
5 October 1999	Industry Advisory Council Conference: *Critical Infrastructure Protection*- Richmond, VA
10 February 2000	Armed Forces Communications and Electronics Association (AFCEA) and the US Naval Institute's Western Conference and Exposition "West 2000": *How do we win the battle for information superiority?*- San Diego, CA

10 April 2000	US Treasury Department Banking and Finance Sector Coordinating Committee: *Infrastructure Protection in Banking and Finance*- Washington, DC
11 April 2000	Equinix Opening Ceremony San Jose: *Comments on need for Cyber Security Background*- San Jose, CA
24 April 2000	Department of Energy Sponsored 2000 High Speed Computing Conference: *Full Spectrum Infrastructure Assurance: Global Information, Infrastructure, Terrorism, and Information Warfare*- Portland, OR
22 September 2000	World Bank's International Finance Corporation: *Information Security Issues Regarding Global Finance*- Washington, DC
28 September 2000	Information Assurance E-Gov Conference: *Meeting Tomorrow's Security Needs*- Alexandria, VA
11 October 2000	Johns Hopkins University/ The Paul H Nitze (SAIS): *Personal Privacy and National Security: Striking a Balance*
16 October 2001	Institute of Defense Analyses (IDA) – Guest Speaker at National Advisory Task Force – Alexandria, VA
01 November 2001	United States Army Europe Senior Leader Forum (USAREUR) – Guest Speaker- *Information Superiority for the War fighter and National Security*- Heidelberg, Germany
19 November 2001	CNN – Interview w/Marcia Walton: *Potential for Cyber War*
4 December 2001	WALL STREET JOURNAL EDITORIAL BOARD – Interview in NYC on *Cyber Security Background*
27 December 2001	DOW JONES NEWS WIRES – Interview with Riva Richmond on *Cyber Security: Threats and Solutions*
9 January 2002	FORBES – Interview with Kary Dolan on *Cyber Security: Threats and Solutions*
16 January 2002	WALL STREET JOURNAL – Interview with Dennis Berman on *Cyber Security*
24 January 2002	INFORMATION WEEK – Interview w/Eric Chabrow on *Cyber Security*

19 February 2002	DARPA Conference - *Information, Policy and Intelligence Community:* Lansdowne Resort, Lansdowne, VA
11 March 2002	FAST COMPANY – Interview w/Christine Canabou *on Cyber Security*
8 April 2002	LOMA CONFERENCE (U.S. and Canadian Insurance Business Association): *An Inside Look at Homeland Security* - Ft. Lauderdale, FL
9 April 2002	Army United States Association SYMPOSIUM (AUSA)- *Asymmetric Warfare: Impact on U.S. Industry, Society, and the Army*- Fairfax, VA
22 April 2002	AFCEA/Old Crows TechNet – San Antonio, Texas - Speaker on *Information Warfare*
25 April 2002	Phoenix Challenge Conference: Lead Panel - *Information Operations Support to the War fighter* – San Antonio, Texas
7 May 2002	NATIONAL ACADEMY of ENGINEERING: *Combating Terrorism: Prioritizing Vulnerabilities and Developing Mitigating Strategies "Cyber Vulnerabilities and Issues"* - Washington, DC
16 May 2002	12th ANNUAL PACIFIC BELL SBC CONFERENCE: *Cyber Security for the Nation and for the Commercial Sector* – Coronado Bay, CA
22 May 2002	WORLD ECONOMIC FORUM – Hay Adams, Washington, DC - Panel *The Price of Risk*
7 June 2002	BUSINESS WEEK CONFERENCE McGraw-Hill, Homeland Summit and Exposition: *Cyber Security Issues – Guest Speaker - Business Resilience: Business Strategy for Corporate Security & Crisis Communications*– Ronald Reagan Building, Washington, DC
17 July 2002	CNBC – Interview w/ Brian Williams
2 September 2002	KNIGHT RIDDER – Interview w/Sumana Chatterjee on *Cyber Security*
16 September 2002	American Society for Industrial Security (ASIS) Conference - *Security: Beyond 9/11*: The National Strategy to Secure Cyberspace Rollout Event – SBC/Stanford University– Philadelphia, PA
20 November 2002	Security Assistance Support Association (SASA) Fall 2002 Intelligence Symposium Speaker on *Information Warfare,* VA
12 March 2003	Phoenix Challenge Conference – Lead Panel on *Information Operations*- San Antonio, TX

31 March – 12 April 2003	Australia/Tokyo Speaking Engagements – Total Approximately 10 Press Interviews on *Business Risk, Resilience and Cyber Security*
11-14 May 2003	DIA/ DoDIIs Worldwide Conference 2003 – Lead Panel *Information Operations and Security*
February 2004	Keynote Speaker The Connecticut Yankee Council; Boy Scouts of America on *Future Security Needs*- Stanford, CT
April 2004	Keynote Speaker Committee on National Security Systems Annual Conference on *Information Operations and Cyber Security*- Norfolk VA
May 2004	Speaker on *Cold War* at Sea Conference- Naval War College- Newport, RI
June 2004	Counter Terrorism Technology and Privacy Conference on *Cyber Security Threats*- Catigny, Wheaton, IL
20 May 2005	*Panelist:* CIA University Panel on Transformation: *Future Security Risks*- Warrenton, VA
09 December 2005	Center for International and Security Studies: *Future of Intelligence Analysis*- University of Maryland, College Park, MD
16 March 2006	Naval Cryptologic Association Annual Conference*: National Security in a Global, Networked Environment* at Naval Weapons Station- Charleston, SC
22 May 2006	*National Geographic Video Taping:* Comments Regarding Dessert Storm based on experience as Intelligence Director of Joint Staff 1990-1992
21 June 2006	*Guest Speaker* at George Washington University Master Program Class: Democracies and Intelligence for Professor Rhea Siers also the Deputy Director for Policy at NSA- Washington, DC
05 July 2006	*Aspen Ideas Festival- SPEAKER/MODERATOR*: Terrorism, Tech & Globalization with Daniel Benjamin, Sir Richard Dearlove, James Steinberg, Representative Jane Harman, Jim Woolsey, Moderator: Mike McConnell- Aspen, CO
07 July 2006	*Aspen Ideas Festival- PANELIST:* Order, Law & Governance in 21st Century with General Colin Powell, Justice Stephen Breyer, Senator Bob Bennett, Moderator: James Steinberg- Aspen, CO
03 October 2006	*Industrial Security Working Group Panelist*: Management & Security

	Transition Panel with Jeffrey Harris/Lockheed Martin, Leo Hazelwood/SAIC, Jay Kelley/ManTech International- Chantilly, VA

PART B - QUALIFICATIONS

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

I am an Intelligence Professional having served this community for over 35 years. I have performed and led those who perform intelligence functions at every level from tactical, to operational to strategic. I served as the current Intelligence Officer for Commander Middle East Force in the Persian Gulf in the 70's, the Senior Intelligence Officer in the US Seventh Fleet in the Western Pacific/Indian Ocean in the 80's and the Senior Intelligence Officer for the US Pacific Fleet 1988-90. Starting in July 1990, I served as the Director of Intelligence on the Joint Chiefs of Staff during Desert Shield/Desert Storm and the dissolution of the Soviet Union. I completed my military intelligence career serving as the Director of one of the premier intelligence agencies in the nation, the National Security Agency from 1992-1996.

I have performed all intelligence functions during peace, crisis and war to serve operational and policy decision makers. The most notable was to serve as the intelligence officer (J-2) to the Chairman of the Joint Chiefs, Gen. Colin Powell, during Desert Shield and Desert Storm, the first Gulf War. That tour took me, as a Flag officer select, into the Oval office and to Camp David to provide assessments to the President, the National Security Council and the Secretary of Defense as they debated and decided on strategy, policy and rules of engagement for Desert Storm. During that assignment, I briefed the House and the Senate, full membership and committees, on multiple occasions in addition to briefing many heads of state and senior representatives of US Allies.

At NSA, with the Cold War over, the strong demand for the "peace dividend" and the world's information technology changing dramatically (the internet burst upon the scene to be used globally and the use of fiber to transmit most communications), I was challenged to change and position a very important agency for the future. Many of NSA's successes today are the result of the strategy developed and the investment decisions made during my watch.

As noted above in #8, on retiring from active duty in 1996, I became a Vice President/Partner in Booz Allen Hamilton (see above for a list of my clients and activities). Serving the national security, law enforcement, homeland security and mostly intelligence clients, I followed events, issues, trends, policy, operations and technology in the Intel Community.

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):

None

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

No

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.

Spouse no. I have served as a Partner/Senior Vice President in a global consulting company. Therefore, while I have not served or represented any foreign government entities, my firm and Partners have served foreign governments and entities controlled by foreign governments. Booz Allen is a global consulting company serving clients on six continents. Information about the firm's global practice is available at www.boozallen.com.

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.

As a Booz Allen Partner/vice president, all my clients have been US Government clients, most often the US national security and intelligence community working at the TS/SCI level. However, since Booz Allen is an international/global business, some portion of my compensation could come, indirectly, from work performed by my Partners for foreign government entities. Revenue for the firm is compiled at the corporate level to be administered.

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 not engaged personally in lobbying activity nor has my spouse. Booz Allen Hamilton belongs to trade associations that lobby on behalf of industry, such as the Professional Services Council.

PART D - FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

19. DESCRIBE ANY EMPLOYMENT, BUSINESS RELATIONSHIP, FINANCIAL TRANSACTION, INVESTMENT, ASSOCIATION, 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.

    See attached Government Form 278 for full details in response to #19.

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.

    Yes

21. DESCRIBE THE FINANCIAL ARRANGEMENTS YOU HAVE MADE OR PLAN TO MAKE, IF YOU ARE CONFIRMED, IN CONNECTION WITH SEVERANCE FROM YOUR CURRENT POSITION. PLEASE INCLUDE SEVERANCE 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.

NONE. Please see attached Government Form SF278 for full details. I will retire from Booz Allen Hamilton, sell all stock to include stock held outside Booz Allen that the Office of Government Ethics and the ODNI GC advise that must be sold to prevent any conflict of interest.

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.

I plan to return to the Private sector on completion of government service. I have no explicit, implicit, implied, suggested written or unwritten arrangements or agreements to return to my current or any other position after leaving government service.

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.

N/A. Left government service in 1996

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 TO WHICH YOU HAVE BEEN NOMINATED, PLEASE SO STATE.

No.

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.

NAME OF ENTITY	POSITION	DATES HELD	SELF OR SPOUSE

My spouse and I have spousal revocable trusts, the John M and Mary T McConnell Revocable Trusts. See attached Government form 278 for complete listing of all other holdings.

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 received a $500.00 Award from Booz Allen Hamilton on reaching 10 years in the firm; same for all employees.

Although I do not have specific recollection, I may have received gifts at holidays or other events from friends and associates over the past five years that could have a value in some cases over $100. I was in the private sector for the past 10 years and such gifts were not related to my potential service in any government position.

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.)

DESCRIPTION OF PROPERTY	VALUE	METHOD OF VALUATION

See attached government form SF278 for complete list.

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.)

NATURE OF OBLIGATION	NAME OF OBLIGEE	AMOUNT

See attached government form SF-278 for complete information.

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 SUBSTITUTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

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

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

Federal, and State of Virginia

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.

No

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.

The firm in which I am currently a Senior Vice President, Booz Allen Hamilton, is a global management and technology consulting firm; therefore clients are global (Fortune 1000 and some foreign governments). However, my sector focuses on providing support to US Government clients and my specific clients have been in the National Security and Intelligence Communities normally at the TS/SCI level. My clients have included the Department of Defense and component elements, the National Aeronautics and Space Administration, the General Services Agency, and the Department of Homeland Security and component elements.

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.

N/A. Served in private sector since 1996.

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.

After departing NSA in March 1996, I reimbursed the government for certain costs associated with my retirement ceremony as recommended by the Inspector General.

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.

Named in a civil complaint from neighbor about building a deck too close to the property line in the late 90s; complaint was dismissed in court when heard by a judge. Fairfax County Courthouse, Virginia.

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.

I was named in some civil suits, with others, as the result of serving as the Director of NSA. The suits were administered by the NSA GC; have heard no additional details since departing in 1996; details (not currently available to me) should be on file in the GC Office at NSA.

Also on departing NSA in March 1996, I reimbursed the government for transportation charges

(moving my family on base at Fort Meade to attend events) associated with my retirement ceremony. In addition, I returned to the government a wooden model of a light house that was built for me, without my knowledge, and presented at the retirement ceremony because the cost to the government (labor by worker to build the model) was not appropriate.

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

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 TO 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

PART F – SECURITY INFORMATION

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

No

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

Yes. Routine polygraph examinations over a 35 year career in the intelligence business for access to TS/SCI information.

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

No

PART G - ADDITIONAL INFORMATION

47. 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.

The DNI is charged by law with ensuring the Congress is kept fully and currently informed of Intelligence Community activities. The National Security Act of 1947 sets out specific responsibilities for the DNI in ensuring the Committee is furnished with all appropriate information. I believe that ensuring this responsibility is fulfilled by the DNI and all leaders of the IC is one of the most important responsibilities of the DNI in order to enable the Congress to fulfill its constitutional responsibilities.

Congress has the constitutional role to pass legislation, provide funds, and obtain information relevant to its role in our constitutional system. Congressional oversight plays a key role in ensuring that the Intelligence Community is performing as envisioned in the National Security Act of 1947, as amended, To exercise the responsibilities as envisioned by the constitution and other laws, the Congressional oversight committees must understand the intelligence process, its organizations, policies, funding and activities. Power to critique or impact policy, address issues or govern activity is executed in the annual intelligence authorization bill or other bills which are signed into law when both Houses of Congress agree and signed by the President. To exercise continuing oversight of Intelligence Community, the Committees conduct periodic hearings to require the appropriate members of the Executive Branch to testify on policies, plans, activities, outcomes, results, lessons or other matters of interest and importance to the Congress.

As the leader of the Intelligence Community, in addition to providing the most objective intelligence analysis to the President and other members of the Executive Branch, it is the responsibility of the DNI to be responsive to the Congressional oversight process. The DNI and other members of the community must communicate information on a regular and continuing basis to keep the oversight committees fully and appropriately informed. Regular and continuing exchanges of information, in my view, are the best way to work with the Congress to address the threats of today to be most effective in preventing another terrorist attack like 9-11 and to do so consistent with American laws and values.

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

General: The DNI must serve as the chief intelligence advisor to the President, the National Security and Homeland Security Councils, the Cabinet and the Congress. In addition, the DNI must lead, manage and improve the Intelligence Community (IC) to effectively meet the threats of today and the future to include providing appropriate intelligence support for Department of Defense military forces, State Department diplomatic needs, law enforcement, homeland security and other security related needs such as the Departments of Treasury, Commerce and Energy. In addition to managing the IC budget for current operations and future investments and building an integrated, collaborative intelligence community, the primary tasks for the DNI include effectively integrating foreign, military and domestic intelligence in defense of the homeland and of United States interests abroad. Integration of foreign and domestic intelligence is new and grew out of the 9-11 tragedy and the resulting legislation and policies to combat terrorism.

Details: The DNI ensures national intelligence is provided to the President, executive departments and agencies, the Chairman, JCS and senior military commanders, the Congress and its appropriate committees, and other persons deemed appropriate by the DNI. The intelligence provided must be timely, objective, politically independent, and all-source. To do this, the DNI must have access to all national intelligence unless otherwise directed by the President or provided by law or guidelines agreed to with the Attorney General.

As the head of the intelligence community, the DNI directs the implementation of the National Intelligence Program (NIP). This includes providing guidance, based on the President's priorities, to the heads of agencies or departments who are members of the intelligence community, and obtaining the advice of the Joint IC Council (JICC) to develop the annual consolidated budget for the NIP. This includes monitoring, via audits and evaluations when necessary, the implementation and execution of the NIP by the intelligence community program managers. It is my intent to make full use of the JICC to obtain involvement and participation of the most senior policy community in setting intelligence priorities.

Under DNI oversight, the IC must:

- Collect, analyze, and disseminate accurate, timely, and objective intelligence, independent of political considerations, to the President and all who make and implement US national security policy, fight wars, protect the nation, or enforce our laws.
- Conduct the US government's National Intelligence Program and special activities as directed by the President and overseen by the appropriate committees of Congress.
- Transform our capabilities to stay ahead of evolving threats to the United States, exploiting risk while recognizing the impossibility of eliminating it.

- Deploy effective counterintelligence measures that enhance and protect our activities to ensure the integrity of the intelligence system, our technology, our armed forces, and our government's decision processes.
- Perform the DNI and IC duties under law in a manner that respects the civil liberties and privacy of all Americans.

AFFIRMATION

I, ___JOHN MICHAEL MCCONNELL_____, DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE ACCURATE AND COMPLETE.

(Date) 25 JAN 07 John M McConnell
(Name)

Beine M. Jones Neaner - January 25, 2007.
(Notary)
Commission Expires: August 14, 2009

TO THE CHAIRMAN, SELECT COMMITTEE ON INTELLIGENCE:

In connection with my 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.

John M McConnell

Signature

Date: 25 JAN 2007

SSCI# 2007 0578

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

January 26, 2007

The Honorable John D. Rockefeller, IV
Chairman
Select Committee on Intelligence
United States Senate
Washington, DC 20510-6475

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by John M. McConnell, who has been nominated by President Bush for the position of Director 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 26, 2007, from Vice Admiral John M. McConnell to the agency's ethics official, outlining the steps Admiral McConnell 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 McConnell is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Robert I. Cusick
Director

Enclosures

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U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved:
OMB No. 3209-0001

Date of Appointment, Candidacy, Election or Nomination (*Month, Day, Year*): 1/22/2007	Reporting Status (*Check appropriate boxes*)	Incumbent [ ]	Calendar Year Covered by Report	New Entrant, Nominee, or Candidate [X]	Termination Filer [ ] — Termination Date (*If Applicable*) (*Month, Day, Year*)
Reporting Individual's Name	Last Name: McConnell			First Name and Middle Initial: John M.	
Position for Which Filing	Title of Position: Director of National Intelligence			Department or Agency (*If Applicable*): Office of the Director of National Intelligence	
Location of Present Office (or forwarding address)	Address (*Number, Street, City, State, and ZIP Code*): -WHS General Counsel (DAEO) Office of the Director of National Intelligence			Telephone No. (*Include Area Code*): 202-201-1039 -WMS	
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: None				
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Senate Select Committee on Intelligence			Do You Intend to Create a Qualified Diversified Trust? [ ] Yes [X] No	
Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: John M McConnell			Date (*Month, Day, Year*): 01/26/07	
Other Review (If desired by agency)	Signature of Other Reviewer:			Date (*Month, Day, Year*):	
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 (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: [signature]			Date (*Month, Day, Year*): 01/26/07	
Office of Government Ethics Use Only	Signature: [signature]			Date (*Month, Day, Year*): 01/26/07	

Comments of Reviewing Officials (*If additional space is required, use the reverse side of this sheet*)

(*Check box if filing extension granted & indicate number of days* _____) [ ]

All the underlying assets in the John Michael McConnell Revocable Trust and the Mary Theresa McConnell Revocable Trust are reported in Schedule A.

(*Check box if comments are continued on the reverse side*) [ ]

Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

Reporting Periods

Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

OGE Use Only
JAN 26 2007

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U.S. Office of Government Ethics

Reporting Individual's Name: McConnell, John M.

SCHEDULE A

Page Number: 2

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

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

	Assets and Income	$1,001 - $15,000	$50,001 - $100,000	$250,001 - $500,000	Over $1,000,000 *	$5,000,001 - $25,000,000	Over $50,000,000	Exempted Trust	Type: Dividends	Type: Interest	Amount: None (or less than $201)	Amount: $1,001 - $2,500	Amount: $5,001 - $15,000	Amount: $50,001 - $100,000	Amount: Over $1,000,000*	Amount: Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common		X						X			X						
	Doe Jones & Smith, Hometown, State																Joe Partnership Income $130,000	
	Kempstone Equity Fund																	
	IRA: Heartland 500 Index Fund												X					
1	Booz, Allen, Hamilton, Inc., McLean, VA																gross wages $1,999,840	
2	US Navy Retirement Income																gross retirement $90,944	
3	Booz, Allen, Hamilton, Inc. Stock					X					X							
4	CompuDyne Corp, Member, Board of Directors																$16,000 Director Fees	
5	Intelligence & National Security Alliance, Inc., Chairman, Board of Directors																$30,000 Director Fees	
6	Navy Federal Credit Union Share Account		X						X			X						

* 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 categories of value, as appropriate.

Prior Editions Cannot be Used.

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Reporting Individual's Name: McConnell, John M.

SCHEDULE A continued

(Use only if needed)

Page Number: 3

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

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

None ☐

	Assets and Income (BLOCK A)	$1,001 - $15,000	$50,001 - $100,000	$250,001 - $500,000	Over $1,000,000 *	$5,000,001 - $25,000,000	Over $50,000,000	Excepted Trust	Type: Dividends	Type: Interest	Amount: None (or less than $201)	$1,001 - $2,500	$5,001 - $15,000	$50,001 - $100,000	Over $1,000,000*	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
7	Boeing Co. (BA)		X						X									
8	CISCO Systems Inc. (CSCO)	X							X		X							
9	Costco Wholesale Corp. (COST)	X							X		X							
10	Dell Inc. (DELL)	X							X		X							
11	Embarq Corp. (EQ)	X							X		X							
12	Hewlett-Packard Co. (HPQ)	X							X		X							
13	Johnson & Johnson (JNJ)		X						X									
14	Microsoft Corp. (MSFT)	X							X		X							
15	Motorola Inc. (MOT)	X							X		X							

* 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 categories of value, as appropriate.

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Reporting Individual's Name: McConnell, John M.

SCHEDULE A continued

(Use only if needed)

Page Number: 4

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

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

None ☐

#	Assets and Income (BLOCK A)	None	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Trust	Type: Dividends	Type: Interest	Amount: None (or less than $201)	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
16	Oracle Corp. (ORCL)		X											X		X										
17	Pepsi Bottling Group Inc. (PBG)		X											X		X										
18	Sprint Nextel Corp. (S)		X											X		X										
19	Whole Foods Market Inc. (WFMI)		X											X												
20	Cohen & Steers Int'l Realty (IRFIX)				X							X														
21	Cohen & Steers Realty (CSRIX)			X								X					X									
22	DFA Tax-Managed US Marketwide Value (DTMMX)				X							X					X									
23	DFA Tax-Managed US Small Cap Value (DTMVX)				X							X							X							
24	DFA US Small Cap Value (DFSVX)				X							X							X							

* 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 categories of value, as appropriate.

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Reporting Individual's Name: McConnell, John M.

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

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

#	Assets and Income (None ☐)	$1,001 - $15,000	$50,001 - $100,000	$250,001 - $500,000	Over $1,000,000 *	$5,000,001 - $25,000,000	Over $50,000,000	Excepted Trust	Type: Dividends	Type: Interest	Amount: None (or less than $201)	$1,001 - $2,500	$5,001 - $15,000	$50,001 - $100,000	Over $1,000,000*	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
25	DFA US Large Company (DFLCX)		X				X											
26	First Eagle Overseas (SGOVX)			X			X											
27	Harbor International (HAINX)			X			X						X					
28	Royce Total Return (RYTRX)		X				X					X						
29	Sentinel Capital Growth (BRGRX)		X			X	X						X					
30	T. Rowe Price New Era (PRNEX)			X			X											
31	Diamonds Trust Series I (DIA)	X					X				X							
32	SPDR Trust Unit SR 1 (SPY)	X					X				X							
33	Schwab Muni Value Adv. (SWTXX)		X				X					X						

* 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 categories of value, as appropriate.

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Reporting Individual's Name: McConnell, John M.

SCHEDULE A continued
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Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

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

#	Assets and Income (None ☐)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
34	Schwab S&P 500 Index E.Shares (SWPEX)		X										X							X													
35	Columbia Acorn Int'l (ACINX)		X										X								X												
36	BAH SRP Vanguard VVA Int'l (Vanguard Variable Annuity)			X									X							X													
37	Vanguard VVA Total Bond Market Index (Vanguard Variable Annuity)						X						X							X													
38	Vanguard VVA Small Company Growth (Vanguard Variable Annuity)					X							X							X													
39	Vanguard VVA REIT Index (Vanguard Variable Annuity)			X									X							X													
40	BAH ECAP SSGA Stable Value Fund					X							X							X													
41	SSGA S&P 500 Stock Index Fund (SZXPX)				X								X							X													
42	American EuroPacific Growth Fund Share Class R3 (RERCX)					X							X							X													

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SCHEDULE A continued

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Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

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

#	Assets and Income (Block A)	None	Valuation of Assets (Block B): None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Income Type: Dividends	Rent and Royalties	Interest	Capital Gain	Income Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	Over $5,000,000*	Over $25,000,000*	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
43	Dodge & Cox Stock (DODGX)					X									X										X									
44	Federated US Gov't Securities 2-5 Years (FIGTX)				X										X									X										
45	PIMCO Commodity Real Return Strategy (PCRIX)				X										X								X											
46	Cohen & Steers Realty (CSRSX)					X									X											X								
47	SSGA Money Market Fund (SSMXX)		X												X					X		X												
48	Schwab Muni Money Fund (SWXXX)				X										X					X			X											
49	DFA 1 Yr. Fixed Income (DFIHX)				X										X									X										
50	Altria Group Inc. (MO)						X											X							X									
51	Navy Federal Credit Union MMSA					X												X							X									

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Assets and Income (BLOCK A)	Valuation of Assets at close of reporting period (BLOCK B)											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)												
None ☐		$1,001 - $15,000	$50,001 - $100,000	$250,001 - $500,000	Over $1,000,000 *	$5,000,001 - $25,000,000	Over $50,000,000	Exempted Trust		Type: Dividends	Type: Interest		Amount: None (or less than $201)	$1,001 - $2,500	$5,001 - $15,000	$50,001 - $100,000	Over $1,000,000*	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
52 PIMCO Low Duration (PTLDX)			X						X					X						
53 PIMCO Real Return (PRRIX)				X					X			X		X						
54 PIMCO Total Return (PTTRX)		X							X			X		X						
55 Progress Energy (PGN)			X							X				X						
56 Amgen Inc. (AMGN)		X								X			X							
57 CDW Corp. (CDWC)		X								X			X							
58 Gilead Sciences, Inc. (GILD)	X									X			X							
59 Halliburton Co (HAL)		X								X			X							
60 Home Depot Inc. (HD)	X									X			X							

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SCHEDULE A continued

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Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item.

	Assets and Income (BLOCK A)	Valuation of Assets at close of reporting period (BLOCK B)									Income (BLOCK C) Type			Amount								Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
	None ☐		$1,001 - $15,000	$50,001 - $100,000	$250,001 - $500,000	Over $1,000,000 *	$5,000,001 - $25,000,000	Over $50,000,000	Excepted Trust		Dividends	Interest		None (or less than $201)	$1,001 - $2,500	$5,001 - $15,000	$50,001 - $100,000	Over $1,000,000*	Over $5,000,000			
61	L-3 Communications Hldgs, Inc. (LLL)		X								X			X									
62	Lindsay Corp (LNN)										X			X									
63	Lowes Cos Inc. (LOW)		X								X			X									
64	Motorola, Inc. (MOT)										X			X									
65	Stryker Corp (SYK)										X			X									
66	Thermo Fisher Scientific Inc, (THO)		X								X			X									
67	UnitedHealth Group Inc (UNH)										X			X									
68	Wellpoint Inc.		X								X			X									
69	Zimmer Hldgs Inc. (ZMH)		X								X			X									

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Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

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

None ☐

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gain	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$5,000,001 - $25,000,000	Over $25,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
70	Vacant Land, Moorefield, WV						X														X												
71	Vacant Land, Landrum, SC					X															X												
72	Vacant Land, Pickens, SC			X																	X												
73	Accenture Ltd (CAN)	X															X				X												
74																																	
75																																	
76																																	
77																																	
78																																	

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Reporting Individual's Name: McConnell, John M.

SCHEDULE C

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.

None ☐

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10 %	on demand					x						
1	First United Bank & Trust, Oakland, MD	Mortgage on Investment Property, Moorefield, WV	2004	5.85%	5/1 Yrs (ARM)				X							
2	USAA Mastercard, San Antonio, TX	Line of Credit	2006	0%	12 months		X									
3	Chase Mastercard, Wilmington, DE	Line of Credit	2006	0%	5 months		X									
4																
5																

* 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	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
1	BAH ECAP (401K) - on 2/2/07 BAH will make a final contribution for 2006; BAH will pay a prorated cash equivalent for 2007 prior to my Government service	Booz Allen Hamilton, McClean, Virginia	3/96
2	BAH Lump Sum Retirement Payment	Booz Allen Hamilton, McClean, Virginia	3/96
3	BAH will reimburse for retirement financial planning and, annually, for financial planning and tax preparation	Booz Allen Hamilton, McClean, Virginia	3/96
4	Lifetime payment of Aetna Medical and Dental Indemnity Insurance	Booz Allen Hamilton, McClean, Virginia	3/96
5	Life insurance coverage paid through 20 September 2007	Booz Allen Hamilton, McClean, Virginia	3/96
6	BAH will make payments of amounts earned under the BAH Supplemental Retirement Plan (SRP) prior to my Government service	Booz Allen Hamilton, McClean, Virginia	3/96

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SCHEDULE C

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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.

None ☐

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10 %	on demand					x						
1																
2																
3																
4																
5																

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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	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
7	BAH will pay a prorated bonus to me for Fiscal Year 2006 only for services rendered prior to my Government Service	Booz Allen Hamilton, McClean, Virginia	3/96
8			
9			
10			
11			
12			

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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.

None ☐

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	Booz, Allen, Hamilton, Inc., McLean, VA	Private Consulting Corporation	Senior Vice President	03/1996	Present
2	CompuDyne Corp., Hanover, MD	Public Corporation	Member, Board of Directors	06/2004	Present
3	The Tower Club, McLean, VA	Dining Club	Member, Board of Governors	02/2005	Present
4	Intelligence & National Security Alliance, Inc., Annapolis, MD	Non-Profit Corporation	Chairman, Board of Directors	11/2005	Present
5	National Cryptologic Museum, Ft. George G. Meade, MD	Non-Profit	Member, Board of Directors	11/2006	Present
6	Strategic Command (STRATCOM), Omaha, NE	Federal Government	Member, ISR Panel of the Senior Advisory Group	6/2006	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.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☐

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1	Booz, Allen, Hamilton, Inc., McLean, VA	Serve as a Senior Vice President. Note. As a Senior Vice President with Booz Allen Hamilton, Inc., I do not have any non-U.S. government clients.
2	CompuDyne Corp., Hanover, MD	Serve as a Member on the Board of Directors
3	Intelligence & National Security Alliance, Inc., Annapolis, MD	Serve as a Chairman of the Board of Directors
4		
5		
6		

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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.

None ☐

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
7	Mary Theresa McConnell Revocable Trust	Trust	Trustee	4/01	Present
8					
9					
10					
11					
12					

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.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☐

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1	Booz, Allen, Hamilton, Inc., McLean, VA	Serve as a Senior Vice President. Note. As a Senior Vice President with Booz Allen Hamilton, Inc., I do not have any non-U.S. government clients.
2	CompuDyne Corp., Hanover, MD	Serve as a Member on the Board of Directors
3	Intelligence & National Security Alliance, Inc., Annapolis, MD	Serve as a Chairman of the Board of Directors
4		
5		
6		

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26 January 2007

Conn R. Stone
Designated Agency Ethics Official
Office of the Director of National Intelligence
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 the Director 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 other 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: my spouse, minor children, or any 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 my position as Senior Vice President of Booz Allen Hamilton, Inc. (BAH). For one year after I terminate my position with BAH, I will not participate personally and substantially in any particular matter involving specific parties in which BAH is a party or represents a party, unless I am authorized to participate pursuant to 5 C.F.R. § 2635.502(d).

I currently own Class A stock (common stock) and Class B stock (common stock) in BAH. I will divest my Class A and Class B stock in BAH within 90 days of my confirmation. BAH will value each class of stock based on a standardized valuation method employed by the BAH Board of Directors. Currently, BAH has valued Class A stock at $144.46 per share and Class B stock at $0.25 per share. Until I have divested all of this stock, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of BAH, unless I first obtain a written waiver or qualify for a regulatory exemption.

BAH will make several payments to me as part of my compensation for services rendered prior to my resignation:

(a) Under the BAH Employee Capital Accumulation Plan (ECAP), I am entitled to a contribution of $29,170 as part of my compensation for service to BAH in 2006. I

anticipate that BAH will make this payment of $29,170 to me on February 2, 2007. If I assume the duties of the position of the Director of National Intelligence before February 2, 2007, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

(b) BAH calculates ECAP contributions by using an objective formula that is based on an employee's earnings in a given calendar year, and BAH makes ECAP contributions in February of the following year. Therefore, I would also be entitled to a pro-rated contribution in February 2008, based on services rendered in 2007 prior to my resignation. Upon my resignation, BAH will use its standard formula to calculate a payment equivalent to this contribution. I estimate that this payment would be approximately $27,767.50 if I were confirmed on January 31, 2007. BAH will make a good faith effort to make this payment to me before I assume the duties of the position of the Director of National Intelligence. However, if I assume the duties of the position of the Director of National Intelligence before BAH is able to make this payment, BAH will make the payment to me as soon as is practicable thereafter. Until I receive this payment, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

(c) Under the BAH Supplemental Retirement Plan (SRP), I am entitled to a payment of $248,570.82 as part of my compensation for service to BAH in 2006. BAH will make a good faith effort to make this payment to me before I assume the duties of the position of the Director of National Intelligence. However, if I assume the duties of the position of the Director of National Intelligence before BAH is able to make this payment, BAH will make the payment to me as soon as is practicable thereafter. Until I receive this payment, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

(d) BAH calculates SRP payments by using an objective formula that is based on an employee's earnings in a given calendar year, and BAH makes SRP payments in April of the following year. Therefore, I would also be entitled to a pro-rated payment in April 2008, based on services rendered in 2007 prior to my resignation. Upon my resignation, BAH will use its standard formula to calculate a payment equivalent to this pro-rated amount. I estimate that this payment would be approximately $74,443.91 if I were confirmed by January 31, 2007. (The amount may be larger if I am confirmed later than January 31, 2007.) BAH will make a good faith effort to make this payment to me before I assume the duties of the position of the Director of National Intelligence. However, if I assume the duties of the position of the Director of National Intelligence before BAH is able to make this payment, BAH will make the payment to me as soon as is practicable thereafter. Until I receive this payment, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

(e) BAH will make a lump sum Retirement Payment to me based on a standard formula for making such payments to departing BAH officers. I estimate that this payment will be approximately $109,000; however, the exact amount will depend on the date of my resignation. Upon my resignation, BAH will use its standard formula to calculate this payment. BAH will make a good faith effort to make this payment to me before I assume the duties of the position of the Director of National Intelligence. However, if I assume the duties of the position of the Director of National Intelligence before BAH is able to make this payment, BAH will make the payment to me as soon as is practicable thereafter. Until I receive this payment, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

(f) BAH will pay a bonus to me for services rendered in the current fiscal year, which runs from April 1, 2006 through March 31, 2007. This bonus is based on objective criteria for all officers. BAH will pro-rate this bonus to cover only the portion of the fiscal year prior to my resignation. In addition, BAH will make an adjustment to ensure that no part of this bonus includes payments from foreign governments or entities controlled or owned by foreign governments that BAH receives while I am a government employee. I estimate that the full amount of my bonus for the entire year would have been approximately $726,000. The extent to which BAH reduces this amount will depend on when my government service commences. I will receive this pro-rated bonus when BAH pays bonuses to its other officers, which I anticipate will occur in May 2007. Until April 1, 2007, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of BAH, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1). From April 1, 2007 until I receive this bonus, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this bonus to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1). (I understand that if I have not completed the divestiture of my BAH stock by April 1, 2007, my recusal from particular matters affecting BAH's financial interests will not be limited to the ability or willingness of BAH to pay this bonus and other benefits to me. In that event, absent a waiver, my recusal will continue to extend to any particular matter that has a direct and predictable effect on the financial interests of BAH until I have divested my BAH stock, as stated above.)

(g) As a standard benefit based on my service as an officer of BAH, BAH will reimburse me up to a limit of $5,000 for retirement financial planning. Until I exhaust my entitlement to this reimbursement, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

(h) As a standard benefit based on my service as an officer of BAH, BAH will reimburse me up to a limit of $4,000 annually for financial counseling and tax preparation assistance for the rest of my life. I will not participate personally and substantially in any particular

matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

(i) As a standard benefit based on my service as an officer of BAH, BAH will pay my premiums under the Aetna Medical and Dental Indemnity Insurance for me and my wife for the rest of my life and my wife's life. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of BAH to pay this benefit to me, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

In November 2006, BAH previously paid my life insurance coverage and the life insurance coverage of other BAH officers through 20 September 2007. The amount of this payment attributable to the period after my resignation is less than $10,000. After 20 September 2007, BAH will not pay my premiums.

In order to avoid potential conflicts of interest under 18 U.S.C. § 208, I will divest my equity interests in the following entities within 90 days of my confirmation: Accenture, Ltd.; Boeing, Co.; CISCO Systems, Inc.; Dell, Inc.; Embarq., Inc.; Halliburton, Co.; Hewlett-Packard, Co., Home Depot, Inc., Johnson & Johnson; L-3 Communications Holdings, Inc.; Microsoft Corp.; Motorola Inc.; Oracle Corp.; Pepsi Bottling Co.; Sprint Nextel Corp.; and Stryker Corp. My spouse also will divest equity interests in these entities within 90 days of my confirmation. Until these divestitures are completed, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of any of these entities that I have not yet divested, 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 resign from the following positions: (1) member of the Board of Directors of CompuDyne Corp.; (2) member of the Board of Directors of the Intelligence and National Security Alliance; (3) member of the Board of Directors of the National Cryptologic Museum; and (4) member of the Board of Governors of the Tower Club. For one year after my resignations from these positions, I will not participate in any particular matter involving specific parties in which any these entities is a party or represents a party, unless I am authorized to participate pursuant to 5 C.F.R. § 2635.502(d). Upon confirmation, I will also resign my position as a member of the Intelligence Surveillance Reconnaissance Panel of the Senior Advisory Group to STRATCOM.

Sincerely,

John M McConnell

John M. McConnell

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