

**NOMINATION OF GEORGE J. TENET TO BE
DIRECTOR OF CENTRAL INTELLIGENCE**

HEARING

BEFORE THE

**SELECT COMMITTEE ON
INTELLIGENCE**

OF THE

UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

ON

**NOMINATION OF GEORGE J. TENET TO BE DIRECTOR OF CENTRAL
INTELLIGENCE**

TUESDAY, MAY 6, 1997

Printed for the use of the Select Committee on Intelligence



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NOMINATION OF GEORGE J. TENET TO BE DIRECTOR OF CENTRAL INTELLIGENCE

TUESDAY, MAY 6, 1997

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

The select committee met, pursuant to notice, at 10 a.m., in room SH-219, Hart Senate Office Building, Hon. Richard Shelby (chairman of the committee) presiding.

Present: Senators Shelby, Chafee, Lugar, DeWine, Kyl, Inhofe, Hatch, Roberts, Allard, Coats, Kerrey of Nebraska, Glenn, Bryan, Graham of Florida, Baucus, Robb, and Levin.

Also present: Taylor Lawrence, staff director; Chris Straub, minority staff director; Suzanne Spaulding, chief counsel; and Kathleen McGhee, chief clerk.

Chairman SHELBY. The committee will come to order.

We're here today to receive testimony that relates to our consideration of President Clinton's nominee to become the next Director of Central Intelligence, Mr. George J. Tenet. His nomination was submitted to the Senate and forwarded to this committee on April 21, 1997.

We're pleased today to have Mr. Tenet with us to discuss his qualifications for the job and his vision for the future of the intelligence community.

I would like to open with a few remarks about the importance of the position to which you have been nominated, Mr. Tenet. First, I will review some of the basic responsibilities of the Director of Central Intelligence. Then I will briefly discuss the reasons we need a strong leader with a bold vision who can assume this position, a leader that can stay with the job so that the intelligence community is postured to face the many challenges in the 21st century.

The National Security Act of 1947 gave the Director of Central Intelligence, or DCI, three primary responsibilities: One, to act as head of the intelligence community as a whole; two, to act as the principal adviser on intelligence matters related to the national security; and three, to serve as head of the Central Intelligence Agency.

It is this committee's duty to report to the Senate as to Mr. Tenet's ability to carry out these important responsibilities. I believe the DCI must be able to lead the entire intelligence community. This is a community composed of over 80,000 intelligence professionals in a wide variety of agencies that serve many consumers of intelligence.

The community includes the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, the National Imagery and Mapping Agency, the National Reconnaissance Office, the Defense Airborne Reconnaissance Office, and the intelligence organizations of the services, the State Department, the FBI, and the Departments of the Treasury and Energy.

In this role, the DCI must develop and present to the President and the Congress the annual budget for the National Foreign Intelligence Program of the United States. The DCI must also participate and consult with the Secretary of Defense in the preparation of the budgets for the Joint Military Intelligence Program and the Tactical Intelligence and Related Activities Program. And in so doing, the DCI sets the fiscal priorities for the intelligence community that must balance the competing budgetary pressures of collection, exploitation, analysis, and dissemination.

The DCI must also balance investments in advanced research and development, technical collection capabilities, and the intelligence community's most valuable asset, its people. The DCI must ensure that all consumers of intelligence are provided the most accurate information, at the right time, unvarnished, and free from any arbitrary bias. And the fiscal priorities that the DCI sets must also reflect changing geopolitical environment and the uncertainty in the post-cold-war era.

The DCI must manage a comprehensive program that addresses some of the critical challenges of our time, such as countering the proliferation of weapons of mass destruction, fighting and winning the war against the production and use of illicit drugs, anticipating and preventing acts of terrorism against our citizens at home and abroad, apprehending those within the ranks of the intelligence community that would harm our national security by divulging our most guarded secrets, and effectively using covert means to further our national interests.

The DCI must be able to accurately and straightforwardly advise the President, the heads of the departments and agencies of the executive branch, the Chairman of the Joint Chiefs of Staff and senior military commanders, and the Congress on intelligence matters related to our national security.

The DCI must also have unimpeachable integrity and forthrightness in providing this information, and must never fall into the trap of biasing or underplaying intelligence to fit an administration's policy.

And finally, the DCI must be able to lead and to manage the Central Intelligence Agency at a time when the Agency seems to be under assault by those who question its very existence. I believe we need a DCI that can stand up for the vital mission the CIA plays in assuring this Nation's stance as the most powerful force for the preservation of democracy throughout the world today.

The CIA is our eyes and ears around the world. The fine men and women who serve, without any public credit, in the most trying and dangerous of circumstances, need a leader that can guide them and stand up for the work that they do, and do well. The DCI must be a leader that can make the tough decisions associated with the business of espionage and ensure that this country is constantly vigilant in monitoring and challenging its adversaries.

Why do we need a strong leader with a bold vision to assume the helm of the intelligence community? I'd like to mention just a few reasons.

First, we need a DCI with longevity, to bring a sense of stability to the CIA and the entire intelligence community. Since the end of the cold war, there have been six directors of Central Intelligence, five of them serving in the last 5 years. This turnover in leadership has put a great strain on the morale of the personnel of the intelligence community, at a time when they are adjusting to new intelligence priorities and the many initiatives for reorganization that have come from both the executive and the legislative branches.

I believe we need a DCI with a steady and consistent hand on the helm of the ship of intelligence, one that can institute the appropriate changes in the organization of the community and then stick with the changes until they are fully implemented and effective.

We need a DCI that will quickly fill key positions within the intelligence community and make expeditious recommendations to the President so that he can submit to the Senate nominations for the Deputy Director, general counsel, and Assistant Directors.

Second, we need a DCI that can bring a clarity of mission and purpose of the intelligence community. There are many complicated and difficult challenges that pose a threat to our national security and will require the most precise means of understanding and awareness. But just as the Secretary of Defense is analyzing the posture of our defense forces in the Quadrennial Defense Review, so too, must the DCI continue to assess the posture of our intelligence apparatus in serving its many customers. Any through such an assessment, I believe the DCI should clearly articulate, to those whom he leads, the principal missions of the community in supporting the President, the Secretaries of State and Defense, and others, in countering potential threats to our country and our citizens.

Third, we need a DCI that maintains the high standards of accountability and responsibility, both for himself and for the men and women of the intelligence community. It's important to note that instituting a high standard of accountability does not necessitate that we become risk-averse. The business of gathering information requires that we deal with some of the most unseemly elements in the world today, from drug cartels to terrorist organizations. Accountability does not require that we shy away from such efforts, but that we constantly weigh the benefits that we gain from the information we obtain, against the potential cost of dealing with oftentimes sordid individuals.

The business of espionage is treacherous, but it has high value in protecting our national security. And the more successful the intelligence community is at doing its job, the less the public can hear of its successes. That is why the role of congressional oversight is key. We need a DCI that gains the public trust through accountability to the Congress.

All in all, the many challenges that face the next DCI may have created in some ways an insurmountable task. However, such tasks have traditionally been commonplace for the agencies of the intelligence community.

We therefore need a DCI that is bold enough to embrace such a task and lead the community into the next century with renewed vitality in preserving America's national security.

Before proceeding with other opening statements, I would like to outline our tentative schedule for this week.

We currently plan to hear from Mr. Tenet the remainder of the day in public session. After opening statements, we will turn to each member in order of arrival for 10 minutes of questioning in the first round, and expand to 15 minutes in subsequent rounds. Tomorrow, if there are no outstanding issues that the members wish to consider in open session, we will proceed to a closed session at 2 o'clock, and explore classified issues with Mr. Tenet.

For completeness of the record and without objection, I ask that the following two documents be placed into the record of these hearings:

Mr. Tenet's completed committee questionnaire, and Mr. Tenet's financial disclosure form, along with its letter of transmittal from the Office of Government Ethics.

[The documents referred to follow:]

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SSCI #97-1163

United States Senate

SELECT COMMITTEE ON INTELLIGENCE
 WASHINGTON, DC 20510-4678

March 25, 1997

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TAYLOR W. LAWRENCE, STAFF DIRECTOR
 CHRISTOPHER C. STRAUB, MISCELLANEOUS STAFF DIRECTOR
 KATHLEEN P. MCGHEE, CHIEF CLERK

The Honorable George J. Tenet
 Acting Director of Central Intelligence
 Central Intelligence Agency
 Washington, D.C. 20505

Dear Mr. Tenet:

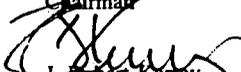
We congratulate you on your selection by the President to be the next Director of Central Intelligence.

In anticipation of your nomination being submitted to the Senate and referred to this Committee, we ask that you respond as quickly as possible to the enclosed questionnaire, which is required of all presidential nominees pursuant to the rules of the Committee. Indeed, our rules provide that the Committee cannot proceed to a hearing on a nomination without the response to the Committee's questionnaire having been received at least seven days in advance of such hearing.

Any questions you may have concerning the questionnaire should be referred to Suzanne Spaulding, General Counsel of the Committee, at (202)224-1700.

Sincerely,


 Richard C. Shelby
 Chairman


 J. Robert Kerry
 Vice Chairman

Enclosure

**SENATE
SELECT COMMITTEE ON
INTELLIGENCE
QUESTIONNAIRE
(Mr. George J. Tenet)**

SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

**QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES**

PART A - BIOGRAPHICAL INFORMATION

1. NAME: George J. Tenet
2. DATE AND PLACE OF BIRTH: January 5, 1953 - Flushing, New York
3. MARITAL STATUS: Married
4. SPOUSE'S NAME: A. Stephanie Glakas-Tenet
5. SPOUSE'S MAIDEN NAME IF APPLICABLE: A. Stephanie Glakas
6. NAMES AND AGES OF CHILDREN:
- | <u>NAME</u> | <u>AGE</u> |
|---------------------------|------------|
| <u>John Michael Tenet</u> | <u>10</u> |

7. EDUCATION SINCE HIGH SCHOOL:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREE RECEIVED</u>	<u>DATE OF DEGREE</u>
<u>SUNY College at Cortland</u>	<u>1971-1973</u>	<u>None</u>	
<u>Georgetown University</u>	<u>1973-1976</u>	<u>B.S.F.S.</u>	<u>May 1976</u>
<u>Columbia University</u>	<u>1976-1978</u>	<u>M.I.A.</u>	<u>May 1978</u>

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

<u>EMPLOYER</u>	<u>POSITION/TITLE</u>	<u>LOCATION</u>	<u>DATES</u>
Central Intelligence Agency	Deputy Director of Central Intelligence	Washington, DC	1995 to Present
National Security Council	Special Assistant to President for National Security Affairs & Senior Director for Intelligence Programs	Washington, DC	1993-1995
US Senate Select Committee on Intelligence	Staff Director	Washington, DC	1988-1993
US Senate Select Committee on Intelligence	Professional/Staff Member	Washington, DC	1985-1988
Senator John Heinz	Legislative Assistant/Director	Washington, DC	1982-1985
Solar Energy Industries Association ¹	Director of International Programs	Washington, DC	1979-1982
American Hellenic Institute Public Affairs Committee	Director of Research	Washington, DC	1978-1979

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 ANSWER TO QUESTION 8):

N/A

¹ Income was paid entirely by William S. Bergman & Associates

10. 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):

Agency Seal Medallion - Central Intelligence Agency (December 1992)

11. 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):

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Steering Committee, Intelligence Assessment & Policy Project, John F. Kennedy School of Government, Harvard University	Member	1989-1995
Center for Strategic & International Studies	Member	1991-1992

12. 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 THE TITLES OF ANY PUBLIC SPEECHES YOU HAVE MADE WITHIN THE LAST 10 YEARS FOR WHICH THERE IS A TEXT OR TRANSCRIPT. TO THE EXTENT POSSIBLE, PLEASE PROVIDE A COPY OF EACH SUCH PUBLICATION, TEXT OR TRANSCRIPT.

See Public Speeches attached at Tab A.

PART B - QUALIFICATIONS**13. QUALIFICATIONS (DESCRIBE WHY YOU BELIEVE YOU ARE QUALIFIED TO SERVE IN THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED):**

My professional experiences for the past 12 years with the Congress, the National Security Council, and--most importantly--as the Deputy Director of Central Intelligence have provided me with a broad and thorough understanding of intelligence and the Intelligence Community. These positions have given me the opportunity to work day in and day out on the intricacies that define the world of intelligence, especially Congressional oversight, national security priorities, and the other challenges inherent in leading the Intelligence Community. Throughout my career, I have been privileged to work closely on intelligence with talented and dedicated officials in both the executive and legislative branches. I have learned much from these individuals including, as I told the President, that there is no room for partisanship in the conduct of intelligence.

If I am confirmed as Director of Central Intelligence, I will draw on these experiences to lead the Intelligence Community and to complete the implementation of our key initiatives in the areas of hard targets, global surge, and analytic expertise. Moreover, if confirmed, I hope that my tenure as Director would provide the Intelligence Community with the continuity and stability that is so essential at this juncture.

Under John Deutch the Intelligence Community took several large steps forward in the areas of intelligence reform. That said, we are on the threshold of a major redefinition of our priority targets and the needed investments to position the Intelligence Community for the 21st Century. I believe my background gives me the experience, skill, and leadership needed to maintain for the American people and the President the world's finest intelligence service.

PART C - POLITICAL AND FOREIGN AFFILIATIONS

14. 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):

1994

Friends of John Deeken (Candidate for Wisconsin State Senate) - \$100 Contribution made on June 22, 1994

Citizens for Sarbanes - \$100 Contribution made on July 12, 1994

1993

Democratic National Committee - \$20 Contribution made on May 10, 1993

McCabe for City Council (Candidate for New York City Council) - \$50 Contribution made on May 10, 1993

Maryland Public Interest Research Group - \$20 Contribution made on May 10, 1993

1991

Joan Griffin McCabe for City Council - \$75 Contribution made on May 10, 1991

1989

Clean Water Action - \$24 Contribution made on June 20, 1989

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

N/A

16. FOREIGN AFFILIATIONS

NOTE: QUESTIONS 17 A AND B ARE NOT LIMITED TO RELATIONSHIPS REQUIRING REGISTRATION UNDER THE FOREIGN AGENTS REGISTRATION ACT. QUESTIONS 17 A, 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, BUSINESS, OR POLITICAL ADVISER OR 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. IF YOU OR YOUR SPOUSE HAS EVER BEEN FORMALLY ASSOCIATED WITH A LAW, ACCOUNTING, PUBLIC RELATIONS FIRM OR OTHER SERVICE ORGANIZATION. 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.

N/A

- 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 FURNISH DETAILS.

No

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

No

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

None

PART D - FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

18. 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.

There are four entities listed on my SF 278 with which CIA has current contractual relationships. Those companies are AT&T, Bell Atlantic, NYNEX, and NCR Corporation. Additionally, NSA has contractual relationships with AT&T and Bell Atlantic; DIA has contractual relationships with AT&T, Bell Atlantic, NYNEX, Lucent Technologies and NCR Corporation; NIMA has contractual relationships with AT&T, Bell Atlantic and NCR Corporation; and finally, the NRO has contractual relationships with AT&T and Bell Atlantic.

19. 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.

N/A

20. 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.

N/A

21. 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 FURNISH DETAILS.

No

22. 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 have no such plans. There are no agreements or understandings with regard to employment after government service, nor are there any understandings or options to return to any of my previous positions

23. 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?

No

24. IS YOUR SPOUSE EMPLOYED? IF 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

25. 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.

<u>NAME OF ENTITY</u>	<u>POSITION</u>	<u>DATES HELD</u>	<u>SELF OR SPOUSE</u>
-----------------------	-----------------	-------------------	-----------------------

None

26. LIST ALL GIFTS EXCEEDING \$500 IN VALUE RECEIVED DURING THE PAST FIVE YEARS BY YOU, YOUR SPOUSE, OR YOUR DEPENDENTS. GIFTS RECEIVED FROM RELATIVES AND GIFTS GIVEN TO A SPOUSE OR DEPENDENT TOTALLY INDEPENDENT OF THEIR RELATIONSHIP TO YOU NEED NOT BE INCLUDED.

None

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

<u>DESCRIPTION OF PROPERTY</u>	<u>VALUE</u>	<u>METHOD OF VALUATION</u>
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See Schedule A of SF 278 (Public Financial Disclosure Report) attached at Tab B.

28. LIST ALL LOANS, MORTGAGES, OR OTHER INDEBTEDNESS (INCLUDING ANY CONTINGENT LIABILITIES) IN EXCESS OF \$10,000. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE C OF THE DISCLOSURE FORM OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CONTINGENT LIABILITIES ARE ALSO INCLUDED.)

<u>NATURE OF OBLIGATION</u>	<u>NAME OF OBLIGEE</u>	<u>AMOUNT</u>
Mortgage (10312 Bells Mill Terrace Potomac, MD)	Chevy Chase FSB (Loan #121178-8)	\$121,378.22

29. ARE YOU OR YOUR SPOUSE NOW IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION? HAVE YOUR OR YOUR SPOUSE BEEN IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION IN THE PAST TEN YEARS? IF THE ANSWER TO EITHER QUESTION IS YES, PLEASE PROVIDE DETAILS.

No

30. LIST 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 \$500. (IF YOU PREFER TO DO SO, COPIES OF US INCOME TAX RETURNS FOR THESE YEARS MAY BE SUBSTITUTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

	1992	1993	1994	1995	1996
SALARY	\$120,394	\$98,928	\$104,749	\$112,070	\$123,711
FEE ROYALTIES					
DIVIDENDS	\$488	\$524	\$678	\$466	\$563
INTEREST	\$1,633	\$1,340	\$1,373	\$3,165	\$2,390
GIFTS					
RENTS	\$10,262	\$9,782	\$12,279	\$12,477	\$16,165
OTHER-EXCEEDING \$500	\$520 (Capital Gains)			\$10,000 (Church Raffle)	
TOTAL	\$133,297	\$110,574	\$119,079	\$138,178	\$142,829

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

Yes.

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

No

33. ATTACH A SCHEDULE ITEMIZING EACH INDIVIDUAL SOURCE OF INCOME WHICH EXCEEDS \$500. IF YOU ARE AN ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL, ALSO ATTACH A SCHEDULE LISTING ALL CLIENTS AND CUSTOMERS WHOM YOU BILLED MORE THAN \$500 WORTH OF SERVICES DURING THE PAST FIVE YEARS.

See Schedule A of SF 278 (Public Financial Disclosure Report) attached at Tab B.

34. 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.

No

35. EXPLAIN HOW YOU WILL RESOLVE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST THAT MAY BE INDICATED BY YOUR RESPONSE TO THE QUESTIONS IN THIS PART OR IN PART C (QUESTIONS 15 THROUGH 35).

If confirmed as DCI, I will disqualify myself in writing from participating in any particular matter that would have a direct and predictable effect on those entities listed on Schedule A of my financial disclosure statement with which CIA, DIA, NIMA, NSA, or NRO have current contractual relationships.

Furthermore, if I am confirmed as DCI I intend to institute additional screening mechanisms to ensure that I take no actions as DCI that could create a financial conflict of interest. Under this enhanced screening arrangement, which goes beyond that established for the last four DCI's, I intend to ask the Deputy Director of Central Intelligence, the Executive Director, the Executive Director for Intelligence Community Affairs, and each of CIA's four Deputy Directors to examine any matter that is being sent forward to me for official action to determine whether it could have a direct or indirect effect on my financial interest or those of Mrs. Tenet. This would include not only contracts or proposed contracts but any policy recommendations as well. To assist them in making this determination, each of these individuals will be provided a copy of my most recent financial disclosure statement, a list of any financial interest acquired after the date of the statement, and a description of the activities of companies listed on Schedule A of my financial disclosure statement.

The senior CIA officials and the Executive Director for Intelligence Community Affairs will be instructed to bring to the attention of the CIA Designated Agency Ethics Officer (DAEO) any matter that is being forwarded to me that would have a direct or indirect effect on my financial interest or those of my wife. The DAEO would then determine whether the proposed policy or contract constitutes a particular matter that would have a direct and predictable effect on my financial interest or those of Mrs. Tenet. In the event that a determination is made that a proposed intelligence policy or contract involving the CIA, the National Reconnaissance Office (NRO), Defense Intelligence Agency (DIA), National Security Agency (NSA) or National Imagery and Mapping Agency (NIMA) would create a conflict of interest, I will either recuse myself from taking any action with respect to the policy or contract or I will divest myself of the interest in the stock or asset that gave rise to the conflict of interest. In the event of recusal, the DDCI will act on my behalf with respect to the particular matter.

I also pledge to promptly inform the DAEO of any acquisitions of securities or other interests that I or my wife may make in a company or companies after I file my financial disclosure statement. The DAEO has indicated that he will determine whether the company or companies have contractual relationships with CIA or certain other elements of the Intelligence Community, e.g., NRO, DIA, NSA or NIMA. In the event there is such a relationship, I will issue a written statement disqualifying myself from taking any official action that would have a direct and predictable effect on the financial interest of those companies.

PART E - ETHICAL MATTERS

36. HAVE YOU EVER BEEN DISCIPLINED OR CITED FOR A BREACH OF ETHICS FOR 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.

No

37. 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 EITHER AS A DEFENDANT OR OTHERWISE IN ANY INDICTMENT OR INFORMATION RELATING TO SUCH VIOLATION? IF SO, PROVIDE DETAILS.

No

38. 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

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

Aldrich H. Ames v. John Deutch, R. James Woolsey, William Studeman, George Tenet, Fred Manget, James Zirkle, Richard Haver, Carol Davis, Helen Fahey, Mark Hulkhower, Joanne Harris, Kathleen M. Hawk, Wallace Cheney, Frank Ortiz, J.T. Holland, Ronald Hamm, Patricia Rodman, Lt. Radebaugh, Lt. Clemens, Lt. Noone, Lt. Santos, Lt. Bell, The Central Intelligence Agency, and the Federal Bureau of Prisons (CIV 96-1265, M.D. Pa.) Pro se prisoner suit against a number of high-ranking US government officials in their official and individual capacities seeking declaratory and injunctive relief and damages in connection with his correctional status and treatment.

Note: I have excluded proceedings in which I have been sued in my official capacity as either Deputy Director or Acting Director of Central Intelligence.

40. 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.

In 1995, I was deposed in my official capacity by plaintiffs' counsel in the matter of Armstrong, et al. v. Executive Office of the President, et al. My statement addressed the scope of my responsibilities as Special Assistant to the President and Senior Director for Intelligence Programs on the NSC Staff.

41. 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 - ADDITIONAL INFORMATION

42. DESCRIBE IN YOUR OWN WORDS THE CONCEPT OF CONGRESSIONAL OVERSIGHT OF US INTELLIGENCE ACTIVITIES. IN PARTICULAR, CHARACTERIZE WHAT YOU BELIEVE TO BE THE OBLIGATIONS OF THE DIRECTOR OF CENTRAL INTELLIGENCE, THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, AND THE INTELLIGENCE COMMITTEES OF THE CONGRESS RESPECTIVELY IN THIS PROCESS.

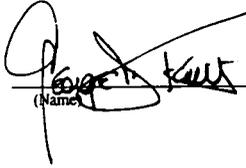
I am committed to the letter and spirit of the statutory obligation to keep the Congress fully and currently informed of intelligence activities. We have no more important obligation. I have been blessed in my career with the unique opportunity to view intelligence oversight from the perspectives of both the Congress and the Intelligence Community. That experience has reinforced my strong belief in the necessity and the benefits of oversight. This committee--as stewards of the Senate and the American people--must be confident that it has a thorough awareness and understanding of intelligence activities. That awareness can only be achieved through open, comprehensive communication.

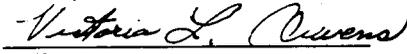
During my confirmation hearings in 1995, I pledged to work vigorously to ensure that the obligation to keep the Congress fully and currently informed would be thoroughly discharged. I believe the record established by Director Deutch indicates that this has been the case, and I intend to ensure that the record continues to reflect a vital, thorough, and timely notification process.

AFFIDAVIT

I, George J. Tenet, DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE, TO THE BEST OF MY KNOWLEDGE, ACCURATE AND COMPLETE.

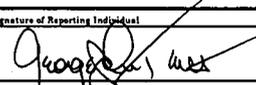
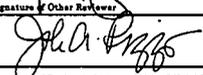
April 3, 1997
(Date)


(Name)


(Notary)

My Commission Expires October 31, 2000

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Date of Appointment, Candidacy, Election, or Nomination (Month, Day, Year)		Reporting Status (Check appropriate boxes)	Calendar Year Covered by Report	New Entrant, Nominee, or Candidate	Termination Date (If Applicable) (Month, Day, Year)	Agency Use Only
		<input checked="" type="checkbox"/> Incumbent	1996	<input type="checkbox"/>	<input type="checkbox"/>	
Reporting Individual's Name		Last Name		First Name and Middle Initial		OGE Use Only
		Tenet		George J.		
Position for Which Filing		Title of Position	Department or Agency (If Applicable)			Fee for Late Filing
		Deputy Director of Central Intelligence	Central Intelligence Agency			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.
Location of Present Office (or forwarding address)		Address (Number, Street, City, State, and ZIP Code)		Telephone No. (Include Area Code)		
		Room 7D-56 CIA, Washington, D.C. 20505		(703) 482-6464		
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				Reporting Periods
		Deputy Director of Central Intelligence, July 3, 1995 - present				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.
Presidential Nominee Subject to Senate Confirmation		Name of Congressional Committee Considering Nomination		Do You Intend to Create a Qualified Diversified Trust?		
				<input type="checkbox"/> Yes <input type="checkbox"/> No		
Certification		Signature of Reporting Individual		Date (Month, Day, Year)		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.
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.				April 5, 1997		
Other Review (If desired by agency)		Signature of Other Reviewer		Date (Month, Day, Year)		Nominees, New Entrants and Candidates for President and Vice President:
				April 17, 1997		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.
Agency Ethics Official's Opinion		Signature of Designated Agency Ethics Official/Reviewing Official		Date (Month, Day, Year)		Schedule B--Not applicable.
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 comment in the box below).						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.
Office of Government Ethics Use Only		Signature		Date (Month, Day, Year)		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.
Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)						(Check box if comments are continued on the reverse side) <input type="checkbox"/>
This report incorporates the nominee report completed by Mr. Tenet in connection with his nomination as Director of Central Intelligence, and adds Schedule B.						

Reporting Individual's Name		SCHEDULE A										Page Number				
George J. Tenet												2				
Assets and Income		Valuation of Assets at close of reporting period					Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.									
BLOCK A		BLOCK B					BLOCK C									
Identify each asset held by you, your spouse, or dependent children for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income held by you, your spouse, or dependent children which generated over \$200 in income during the reporting period. None <input type="checkbox"/>		\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	Over \$500,000	Type				Amount			Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria
								Rent and Royalties	Capital Gains	Excess of Depreciation	Other (Specify Type)	\$201 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$15,000		
Examples																
Central Airlines Common																
Deo Jones & Smith, Hometown, State															\$150,000	
Kempston Equity Fund																
IRA: Heartland 500 Index Fund																
1	1/3 owner w/E. Tenet & W. Tenet of commercial property 252-22 N. Blvd., Little Neck, N.Y.								X							
2	1/3 owner w/E. Tenet & W. Tenet of res. property 4228 Marathon Pky., Little Neck, NY													X		
3	1/4 owner w/E. Tenet & W. Tenet of condominiums, Athens, Greece				X				X							
4	Queens County Savings Bank Joint Savings Acct w/E. Tenet #AD-304666-7													X		
5	AT&T Common Stock 1/3 owner w/E. Tenet & W. Tenet															
6	AT&T Common Stock	X														

1/91 Edition Can Be Used; Editions Prior to 1/91 Cannot Be Used.

Reporting Individual's Name George J. Tenet	SCHEDULE A continued											Page Number 3									
Block A Assets and Income Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income which generated over \$200 in income during the reporting period.	Block B Valuation of Assets					Block C Income: Type															
						Amount						Other					Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honorary			
	Less Than \$1,000	\$1,000 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	Over \$500,000	Dividend	Interest	Rent and Royalties	Capital Gain	Exceptional Investment Return	Excepted Trust	Other (Specify Type)	\$201 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$50,000			Over \$50,000		
1 American Cyanamid (see Note below)	X																				
2 Ameritech Common Stock 1/3 owner w/E. Tenet & W. Tenet			X																		
3 Bell Atlantic Common Stock 1/3 owner w/E. Tenet & W. Tenet																					
4 Bell South Common Stock 1/3 owner w/E. Tenet & W. Tenet			X																		
5 Chase Manhattan Bank Common Stock 1/2 owner w/W. Tenet												X									
6 Florida Power & Light Common Stock 1/2 owner w/W. Tenet													X								
7 Lilco Common Stock 1/2 owner w/W. Tenet	X												X								
8 Pacific Telesis Common Stock 1/3 owner w/E. Tenet & W. Tenet													X								
9 U.S. West Inc. Common Stock 1/3 owner w/E. Tenet & W. Tenet													X								

NOTE: American Cyanamid was acquired by a subsidiary of American Home Prod. Corp on Dec. 30 1994, in exchange for \$101.00/share. I have not yet exchanged my American Cyanamid shares for cash but intend to do so during 1997.

Reporting Individual's Name George J. Tenet		SCHEDULE A continued										Page Number 4							
Block A		Block B					Block C												
Assets and Income		Valuation of Assets					Income: Type						Amount						
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income which generated over \$200 in income during the reporting period.																			
		\$0 - \$10,000	\$10,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Rent and Royalties	Capital Gains	Interest	Dividends	Other (Specify Type)	Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria					
1	Nynex Common Stock	X																	
2	Nynex Common Stock 1/3 owner w/E. Tenet & W. Tenet																		
3	NCR Corporation																		
4	Southwest Bell Common Stock 1/3 owner w/E. Tenet & W. Tenet																		
5	National Bank of Greece Acct. #127/749408-40 1/4 owner w/E. Tenet & W. Tenet		X																
6	National Bank of Greece #501146.91 Cert. #016797 1/4 owner w/E. Tenet & W. Tenet												X						
7	National Bank of Greece #501635.57 Cert. #016800 1/4 owner w/E. Tenet & W. Tenet												X						
8	(These accounts in Pinakothekis Branch of National Bank of Greece established to receive rents generated by properties on P. 2, item 3 of this Schedule A)																		

Reporting Individual's Name George J. Tenet	SCHEDULE A continued											Page Number 5									
Block A	Block B				Block C																
Assets and Income	Valuation of Assets				Income: Type							Amount						Actual Amount	Date (Mo., Day, Yr.)		
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income which generated over \$200 in income during the reporting period.																					
	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Rent and Royalties	Capital Gains	Dividends	Interest	Other (Specify Type)	\$201 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	\$500,001 - \$1,000,000	Only if "Other" specified	Only if Honorary
1 NCR Corporation 1/3 owner w/E. Tenet & W. Tenet	X																				
2 Chevy Chase FSB Joint Checking G. Tenet, A. Steph. Glakas-Tenet Acct#034-320266-2	X												X								
3 U.S. West Media Group 1/3 owner w/E. Tenet & W. Tenet	X																				
4 FPA Paramount Fund IRA A. Steph. Glakas-Tenet Acct#5095067										X											
5 FPA Paramount Fund Inc. George & A. Steph. Glakas-Tenet Acct#5095060	X									X	X			X							
6 FPA Paramount Fund Inc. A. Steph. Glakas-Tenet, custodian John M. Tenet UIMA Acct#5095070	X									X	X			X							
7 Lucent Technologies	X									X	X										
8 Lucent Technologies 1/3 owner w/E. Tenet & W. Tenet	X																				
9 Airtouch Communications 1/3 owner w/E. Tenet & W. Tenet	X																				

Reporting Individual's Name George J. Tenet		SCHEDULE A continued										Page Number 7					
Block A		Block B					Block C										
Assets and Income		Valuation of Assets					Income: Type					Amount					
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income which generated over \$200 in income during the reporting period.		\$1,000 - \$15,000 \$15,000 - \$50,000 \$50,000 - \$100,000 \$100,000 - \$250,000 \$250,000 - \$500,000 \$500,000 - \$1,000,000 Over \$1,000,000					Rent and Royalties Capital Gains Dividends Interest Annuities Pensions Other					Other (Specify Type)		Actual Amount Only if "Other" specified		Date (Mo., Day, Yr.) Only if Honorary	
1	NYLIAC Mainstay VP Capital Appreciation IRA	X															
2	NYLIAC Mainstay VP Cash Management IRA									X							
3	NYLIAC Mainstay VP High Yield Bond IRA																
4	NYLIAC Mainstay VP Index Equity IRA	X															
5	NYLIAC Mainstay VP International Equity IRA	X															
6	NYLIAC Mainstay VP Value IRA	X															
7	New York Life Insurance Co. (whole life)	X															

Do not complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate

Reporting Individual's Name George J. Tenet	SCHEDULE B	Page Number 8
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Part I: Transactions

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not

report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

None

1	Identification of Assets	Transaction Type (c)			Date (Mo., Day, Yr.)	Amount of Transaction (1)															
		Purchase	Sale	Exchange		Transaction Type (d)															
						01/01/91 - 03/31/91	04/01/91 - 06/30/91	07/01/91 - 09/30/91	10/01/91 - 12/31/91	01/01/92 - 03/31/92	04/01/92 - 06/30/92	07/01/92 - 09/30/92	10/01/92 - 12/31/92	01/01/93 - 03/31/93	04/01/93 - 06/30/93						
Example:	Central Airlines Common				3/1/91																
1	FPA Paramount Fund, Inc. IRA		X		4/17/96	X															
2	Mainstay VP Cash Management Account	X			4/26/96	X															
3	Franklin Income Fund IRA		X		4/2/96	X															
4	Putnam Convertible Income Growth Fund IRA		X		4/2/96	X															
5	Mainstay VP Cash Management Account	X			4/18/96	X															

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling \$250 or more; and (2) travel-related cash reimbursements received from one source totaling \$250 or more. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include

travel itinerary, dates, and the nature of expenses provided. Exclude anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth \$100 or less. See instructions for other exclusions.

None

1	Source (Name and Address)	Brief Description	Value
Example:	Natl Assn. of Rock Collectors, NY, NY Frank Jones, San Francisco, CA	Airline ticket, hotel room & meals incident to national conference 8/18/90 (personal activity unrelated to duty) Leather briefcase (personal friend)	\$600 \$300
1			
2			
3			
4			
5			

Reporting Individual's Name George J. Tenet	SCHEDULE B (continued)	Page Number 9
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Part I: Transactions

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded \$1,000. Include transactions that resulted in a loss. Do not

report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

None

	Identification of Assets	Transaction Type (s)			Date (Mo., Day, Yr.)	Amount of Transaction (s)							Certificate of Divestiture	
		Purchase	Sale	Exchange		\$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		
	Example: Central Airlines Common				2/1/91									
1	Chevy Chase FSB A. Stephanie Glakas-Tenet, custodian J. Tenet MDUIMA # 034208699-S		X		3/11/96	X								
2	Mainstay Money Market Fund A. Stephanie Glakas-Tenet custodian for J.M. Tenet	X			3/25/96	X								
3														
4														
5														

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling \$200 or more; and (2) travel-related cash reimbursements received from one source totaling \$250 or more. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include

travel itinerary, dates, and the nature of expenses provided. Exclude anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth \$100 or less. See instructions for other exclusions.

None

	Source (Name and Address)	Brief Description	Value
	Example: Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/18/90 (personal activity unrelated to duty)	\$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	\$500
1			
2			
3			
4			
5			

Reporting Individual's Name: **George J. Tenet** **SCHEDULE C** Page Number: **10**

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

	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (\$)									
						\$10,000 - \$14,999	\$15,000 - \$24,999	\$25,000 - \$49,999	\$50,000 - \$99,999	\$100,000 - \$249,999	\$250,000 - \$499,999	\$500,000 - \$999,999	\$1,000,000 - \$1,999,999	Over \$1,000,000	
Example:	Five District Bank, Washington, DC John Jones, 123 J St., Washington, DC	Mortgage on rental property, Delaware Promissory note	1981 1989	12% 10%	25 yrs. on demand										
1															
2															
3															
4															
5															

Part II: Agreements or Arrangements

Report your agreements or arrangements for:
 (1) continuing participation in an employee benefit plan (e.g. pension, 401K, deferred compensation); (2) continuation of 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 11/91.	Dee Jones & Smith, Homstown, State	7/89
1			
2			
3			
4			
5			
6			

Reporting Individual's Name George J. Tenet	SCHEDULE D	Page Number 11
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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.)
	Example: Nat'l Assn. of Book Collectors, NY, NY Doe Jones & Smith, Hometown, State	Non-profit education Law firm	President Partner	6/92 7/96	Present 1/91
1					
2					
3					
4					
5					
6					

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

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any

corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Transitioning Officer, or Vice Presidential or Presidential Candidate

None

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

George J. Tenet ;

FOOTNOTES

(*) In the case of assets in which a share of ownership is indicated, both the value of the asset and the amount of income reported represent the total value of the asset and income generated, not just my share.

(#) As DDCI, I have disqualified myself from participating in any particular matter that could have a direct and predictable effect on the financial interest of this company.

(+) As DDCI, I have executed a power of attorney authorizing my brother, William J. Tenet, to act for me with respect to my interest in the bank accounts and certificates in the National Bank of Greece. I have pledged that I will not exercise any control over those bank accounts and certificates.



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

April 22, 1997

The Honorable Richard C. Shelby
Chairman
Select Committee on Intelligence
United States Senate
Washington, DC 20510-6475

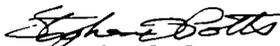
Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by George J. Tenet, who has been nominated by President Clinton for the position of Director of Central Intelligence.

We have reviewed the report and have also obtained advice from the Central Intelligence Agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated April 17, 1997, from the ethics official of the agency, which discusses Mr. Tenet's ethics commitments with respect to recusals and other matters. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with the actions he agreed to take in his ethics agreement.

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

Sincerely,


Stephen D. Potts
Director

Enclosures

Chairman SHELBY. It's now my privilege to turn to my distinguished colleague and the vice chairman, Senator Kerrey.

Vice Chairman KERREY. Thank you, Mr. Chairman.

First, I join you in welcoming Mr. Tenet, his family, and our colleagues, who are waiting patiently for me to finish my opening statement so they can begin theirs.

Many circumstances have combined to bring us to this day, including some that involve the previous nominee, Mr. Lake. One particularly significant circumstance stands out in my mind, and that's the bold decision of Mr. Tenet's parents to leave everything they had known and come to a nation as well as a city which offered only the opportunity to achieve on the basis of their merit and their hard work. That's a very moving and courageous decision on their part, and in my judgment Mr. Tenet has been able to demonstrate his merit and rise on the basis of his hard work because of the decision of his parents.

Although some people may think they're responsible for their own success, we are all really and generally riding on somebody else's shoulders, usually those of our parents and our grandparents. I know that Mr. Tenet understands this best of all.

He also knows a lot about intelligence and how it protects our country. Mr. Tenet, as Deputy Director now as Acting Director of Central Intelligence, I know you have immersed yourself in the daily details of the intelligence community. Today I invite you to seize the opportunity offered by the confirmation process to take a long, strategic view of U.S. intelligence 20 years into the future.

Here are some of the attributes that I would envision for the intelligence community in 2017.

U.S. intelligence in that year is the primary source of warning for the President about threats to America's freedom and independence and to the lives of millions of Americans. U.S. intelligence in 2017 provides predictive insights to guide America's actions in the world. U.S. intelligence in 2017 provides information dominance to our Armed Forces, giving them a decisive edge whenever they are engaged or deployed.

In 2017, U.S. intelligence is noted for the excellence of its analysis, which it produces in conjunction with subject matter experts in the world of business, academia, and nongovernmental organizations.

U.S. intelligence in 2017 spends a lower proportion of its budget on classified collection systems. It depends more on open-source and commercially available information, including commercial imagery systems. It disseminates tailored intelligence directly to the military user, and intelligence sensors are linked to the guidance systems of our weapons.

U.S. intelligence in 2017 monitors foreign economic espionage and unfair trade practices. Intelligence maintains technological superiority over other countries, and also makes full use of the best commercial available technologies to collect, produce, and disseminate its products.

Dual uses and commercial spinoffs of formerly classified intelligence technologies are, by 2017, increasingly important in health care, information technologies, and many other fields.

In 2017 the intelligence community achieves these successes through the efforts of highly dedicated, patriotic employees who have deep understanding of the world, their technology, or both. Most important of all, in 2017 the intelligence community and CIA particularly, enjoys the respect and confidence of an admiring and grateful American people.

Mr. Tenet, you have heard my partial list of things that I believe we ought to be able to accomplish in 2017. You are aware that some things on the list we've already accomplished, and you are aware as well with some on this list we have a long ways to go. You are very likely the leader who will make the decisions in the last years of this century to define outlines of U.S. intelligence in the next.

When you consider how few sources of information a President had in 1941 or 1951 about the intentions and capabilities of a foreign country, apart from diplomatic cables, and compare that with the many sources of information available to the President today, you see that many of us have already lived through a transformation of intelligence. We are living through another one today, and it will pick up its pace during your time in office.

The intelligence community, despite many problems, is an essential element of our national power in 1997. With the help of this committee and our House counterparts, with a steady commitment from the President, you have an opportunity to turn the community into a leading element of our national power in the next century. In what so many have called an information age, it is only natural that the agency charged with collecting, analyzing, and disseminating information would play a leading role. I want to hear your vision for the intelligence community, and more importantly, the American people deserve to hear it. Their confidence will be your report card, as it is ours.

Thank you very much, Mr. Chairman.

Chairman SHELBY. At this time, I am going to turn to my current and former colleagues that are joined by Mr. Tenet in front of us. And then we will, after that, go into any other opening statements that the members have. Senator Moynihan, Senator Sarbanes, Senator D'Amato, Senator Mikulski, and former Senator Boren, we welcome you to the committee.

Senator Moynihan.

**STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, A U.S.
SENATOR FROM THE STATE OF NEW YORK**

Senator MOYNIHAN. Thank you, Mr. Chairman.

It is an honor and pleasure, as you and Senator Kerrey have indicated, to introduce to the committee a distinguished son of Queens and of a vibrant Greek community that has added so much to our city, and now to our Nation in the person of Mr. Tenet.

I would like to say one thing in particular, Mr. Chairman, which is that Mr. Tenet was Deputy Directory of Intelligence whilst John Deutch, as DCI, was serving as a member of our Commission on Protecting and Reducing Government Secrecy; we have now completed our report, submitted it to the President, and to the Congress. A unanimous report. Senator Helms, myself, Representative Combest, Representative Hamilton, Mr. Deutch, Mr. Podesta, Mr.

Faga—a very distinguished group. This is the second-ever statutory commission to inquire into the issues of secrecy in our Government—and the last was 40 years ago.

This is the first report, clearly, that deals with the post-cold-war era and addresses the impediments for intelligence that are involved with too much secrecy; with the need to protect secrets, by limiting their number, and the role of such modes in an information-rich society when open sources provide most of the information a President might need and an intelligence analyst might provide.

Mr. Tenet will have the task of advising the executive branch as we attempt to move legislation recommended by the Commission through Congress. He will also address this matter in his testimony. I am sure you will find his remarks reassuring and challenging.

I might just add that one of the recommendations in our report is that the new DCI make a more careful determination of just what those words “sources” and “methods” in the 1947 legislation mean and provide the committees, as well as the President, with some tightening up what has become a very generalized source of overclassification and endless accumulation of useless, inaccurate information.

And so I commend him to you, sir. I particularly commend his comments on this area, which is new to the intelligence community and vital to its future.

Chairman SHELBY. Senator D’Amato.

**STATEMENT OF HON. ALFONSE D’AMATO, A U.S. SENATOR
FROM THE STATE OF NEW YORK**

Senator D’AMATO. Mr. Chairman, I am pleased to be here today with my distinguished colleagues to introduce to the Committee Mr. George J. Tenet, who has been nominated to be Director of Central Intelligence. I support his nomination and urge that the Committee report it favorably to the Senate.

In fact, George needs no introduction to this Committee. He joined the Committee’s staff in 1985, was its staff director during Senator Boren’s chairmanship, and has held positions of increasing responsibility in the executive branch, where he first served as Special Assistant to the President and Senior Director for Intelligence Programs on the National Security Council staff, and subsequently as Deputy Director of Central Intelligence.

While George’s nomination to be Director of Central Intelligence was not the President’s first choice, he could not have made a better choice.

Why? Because George Tenet is a New Yorker.

He has all of the academic credentials, experience, and sound working relationships with the current national security structure that we expect from a DCI candidate. But others have those qualifications, too.

None of them were born and raised in Queens and worked in their father’s diner after school. None of them went to Public School 94, graduated from Benjamin Cardozo High, or pitched softball for St. Nicholas Greek Orthodox Church.

George comes from a tightly knit Greek-American family that came from nothing to build a sound family life and a future for the

Tenet children. The strength and courage of his parents, John Tenet, now deceased, and Evangelia, are visible in the success of their children, George, who is the deserving nominee for this high position, and his twin brother, William, who is the chief cardiologist at New York Hospital.

I served as a member of this Committee during George's tenure as Staff Director. He helped guide and educate me in the jungle of intelligence organizations, systems, and budgets, most of which are closed to public knowledge. I've seen his cool head and good judgment at close range—sometimes when I put pressure on him that he really didn't need.

He speaks a language people from New York can understand—and people from Arkansas, too. His intellectual capacity and leadership skills are right for this position. He is smart and tough, yet has the basic values that let him call them as he sees them, regardless of the consequences.

Mr. Chairman, we need George Tenet as DCI. He has proven over and over that he is dedicated to the service of his country, that he places his country ahead of partisanship, and that his personal integrity is unassailable. Today, those qualities are critical for a Director of Central Intelligence.

In closing, I again urge the Committee to report his nomination favorably, and assure him of my strong and enthusiastic support.

Thank you.

Chairman SHELBY. Senator Sarbanes.

STATEMENT OF HON. PAUL SARBANES, A U.S. SENATOR FROM THE STATE OF MARYLAND

Senator SARBANES. Well, thank you very much, Mr. Chairman and Vice Chairman Kerrey and members of the committee.

Nearly 2 years ago I was pleased to come before this committee with, as today, a bipartisan group of Senators to present the nominee for the post of Deputy Director of Intelligence, for which he was unanimously confirmed. I think the past 2 years has proven that that was a wise judgment on the part of the Senate, and I'm pleased to be back today.

Now, while George is originally from New York, my colleague, Senator Mikulski, and I are proud that he had the extremely good judgment to marry into a Maryland family and to live in our State throughout most of his career. So we lay some claim to him as well.

He's a graduate of the Georgetown University School of Foreign Service and the Columbia University—masters at the Columbia University School of International and Public Affairs. George has been working on national security and intelligence issues now for some 15 years, first with Senator Heinz, our colleague Senator Heinz, for whom he was the legislative director. Then, as the members of this committee well know, he spent almost 8 years as a professional staff member and then as staff director of this very committee, and, of course, as a consequence, was intensely engaged in work on all types of intelligence matters for over a decade.

I think it's fair to say that his service as staff director—and I'm sure our former colleague Senator Boren will speak to this—earned the widespread respect of Members of the Senate. I think Members

of both parties came to trust and respect his judgment, his integrity, and to rely upon his expertise.

I think it's fair to say that as Director of Central Intelligence he would bring to the job a keen appreciation of the congressional oversight role and at the same time the intelligence requirements of the President of the executive branch. He had this legislative experience in the intelligence arena, then he went down and, as you know, worked for the National Security Council staff as Special Assistant to the President and Senior Director for Intelligence Programs, 2 years there, 2 years now as Deputy Director, and, of course, in the last few months as Acting Director.

Respect and understanding of the oversight functions and activities of the Congressional Intelligence Committees, and of the Congress itself, I think, are an important quality for a Director of Central Intelligence to have. I think his management skills and his background in intelligence work, qualities which have been put to the test in his current position, will prove to be invaluable assets in providing our Nation with complete and objective intelligence, and, as you pointed out, Mr. Chairman and Mr. Vice Chairman, guiding the intelligence services through a post-cold-war period of new challenges and complexities.

Mr. Chairman, I have known George Tenet for a long time. I have enormous respect for him. I think by experience and education he is exceptionally qualified to lead the intelligence community. But above that, I think he brings an integrity and an honesty to the position, which calls forth our confidence and trust in him. And I strongly urge the committee to give him prompt and favorable consideration.

Chairman SHELBY. Senator Mikulski.

STATEMENT OF HON. BARBARA MIKULSKI, A U.S. SENATOR FROM THE STATE OF MARYLAND

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

Mr. Chairman and Senator Kerrey and other members of the committee; of course, I am delighted and pleased to be here to be part of a distinguished group to introduce George Tenet to you. Senator Sarbanes and others have spoken about his skills and his experience, his honor and his integrity, which I just wish to amplify for a minute or two. First of all, in this new world order, we need a Director of the CIA who restores morale within its own agency; No. 2, helps reorganize the CIA for its mission for the 21st century; and No. 3, have a different relationship with the American people than I think the CIA has had over the last 35 or 40 years. I think what George Tenet brings, first of all, is his own deep and abiding appreciation for what being an American is. George personifies the American dream. His father was a Greek immigrant. He came to this country to build a better life. And John and Evangelina Tenet run a diner, much like Senator Sarbanes. George worked in that, and then, through the real opportunity structure of this country, went on now to be able to present himself to you as the nominee for the Director of CIA.

That says he knows what America is. I think it's really important, if you're going to be heading up one of our most important—

one of our most important foreign policy agencies, is to really be able to understand our own country.

The challenges around morale and reorganization I know will be addressed by other colleagues, but I want to talk about the CIA's relationship with the American people. The American people don't trust government, and they particularly don't trust the CIA. This has been a long legacy. Whether it's right or wrong, it continues to exist. In many of our communities, like the African-American community, there is much doubt about the role that the CIA played in drugs in central Los Angeles. What does this then mean to our nominee? I believe that George Tenet, by his background, by his experience, will help restore the confidence of the American people in the CIA. He has assured me that there will be continued the full investigation as called for by this committee on the CIA drug effort, and we thank you for your efforts. But I also think that by his own ability, that he will work really to create a different relationship between the CIA and the American people, where we understand what the CIA does, we respect what the CIA does, we support what the CIA does, and we have confidence in it, and that once again it be the kind of place that young people want to come and work; that, No. 2, all of America says, well, if the CIA is involved, we're on top of the game, and that we therefore will have this confidence. I believe George will do this. I'm looking forward to working with him and with you on this. But I think it's a new day at the CIA, and I think this new leadership will be able to take the values and missions that has been the historic linchpin to the CIA but to bring it into what this new world order demands.

Chairman SHELBY. Senator Boren, welcome back to the committee that you chaired a long time. We welcome you back to Washington.

**STATEMENT OF HON. DAVID BOREN, FORMER U.S. SENATOR
FROM THE STATE OF OKLAHOMA**

Mr. BOREN. Thank you very much, Mr. Chairman and members of the committee. It does bring back a lot of wonderful memories to be here with all of you. In fact, some memories of this committee room are of a confirmation hearing which I chaired that lasted 6 months and 10 days. I can tell that's not going to be the case in this situation, and certainly it should not be. I had offered to come out for or against Mr. Tenet, which would help him the most. But conscience compels me—

Chairman SHELBY. He wasn't sure, was he? [Laughter.]

Mr. BOREN [continuing]. Conscience compels me to come in strong support of his nomination and his confirmation by the Senate.

I want to share informally with you my experiences of working with him. Many of you had those same experiences as members of the committee at that time.

I had not met George Tenet when I first became a member of the Intelligence Committee. Very quickly, after watching him and working with him, I became tremendously impressed. Very early on in my chairmanship with about 5 years left to go, the staff directorship became vacant. I consulted with then Vice-Chair Senator

Cohen, and together we reached the conclusion that George Tenet would make an outstanding staff director for this committee.

Over the next 5 years, I had the opportunity to work with him very, very closely and to discuss very sensitive subjects with him. This gave me a grasp of the kind of judgment that he has, as well as his basic intelligence and ability. I was also put in a position to evaluate his personal character.

I listened to all of you discuss the qualities that the next Director must have, the role that he must play in bringing about a transition in mission, in improving morale, and in restoring the confidence of the American people in CIA, and in being able to engage in out-of-the-box thinking in a very changed situation. I agree with the comments made by you, Mr. Chairman, and the vice chairman, about what's going to be required to bring to bear to the right kind of analysis. We face a very different world than the one in which our principal goal was to penetrate the signals communication of the Soviet military. Now we must understand what is literally happening on the streets around the world in various countries, the developments that are taking place.

George Tenet, during the time that he was staff director, organized a series of hearings by this committee, in which we brought back those who had played a historic role in the founding of the Agency. It also included those from the academic community who are external to the CIA and contemporary thinkers who opposed their views of a changing role. Through that entire period of transition, he led us to a better understanding of the challenges we now face.

So in terms of having spent time thinking about these important issues, no one could come to this job better prepared than George Tenet.

But I want to raise two other qualities that I think are particularly important at this time. One is bipartisanship. During the time that he served as staff director of this committee we did not have a single party-line vote on any issue, or even close to a party-line vote in 5 years. We did not run the staff committee divided between Democrats and Republicans. We jointly hired the staff together. We had—only the minority staff director was the only title having to do with what was minority, majority. We never asked any potential staff members anyone whether they were Democrats or Republicans. In fact, I couldn't tell you today the party registration of George Tenet after working with him for 5 years. He came here under Senator Heinz, a Republican, and he then worked with me, a Democrat. He is simply an American and a professional.

And if there were ever a time in which we need to be assured that the Central Intelligence Agency will not be used for any kind of partisan agenda, but will simply be used to serve the interests of this country, that time is now. Having worked with him on such a close basis, I know exactly that's the way that George Tenet will approach his responsibilities as Director of the Central Intelligence Agency.

There's another quality that is important for the Director of the CIA, and perhaps this is the most important quality of all. There were days in which I certainly didn't take it very well that he had this quality. I can't count the number of days when I walked into

my office on what I thought would be a very happy day, a day like today, a beautiful day coming into work, when George would spoil my day because he would walk into the office and say, "Mr. Chairman, I know you don't want to hear this, but you're going to hear it anyway." He would proceed to deliver to me any bad news that he needed to deliver. He didn't sugar-coat it, and he didn't leave me to ask the right questions. He told me exactly what he had found was going on.

During George Tenet's time as our staff director, we created the audit unit, which enabled us to have a lot better handle on what was going on with our clandestine operations around the world. We probably exercised more budgetary oversight than had been the case in the past. Because of his leadership and aggressiveness in terms of finding out exactly what was going on inside the Agency, I can recall two highly classified clandestine programs that were stopped by this committee based upon information brought to it by Mr. Tenet.

And if there's anything we need right now in terms of the directorship of the CIA, as Senator Mikulski has said, it is for the American people to know that we have a Director who is strong enough and independent enough, if necessary, to walk right in to the President of the United States or the chair of this committee or the chair or vice chair of the House committee as well and say, you may not want to hear this, but you're going to hear it anyway. That is the force of character our Nation needs.

I have not one doubt in my mind that George Tenet would deliver that kind of message to any of you if you needed to hear it in the interests of this country. I have no doubt that he would deliver that message to the President of the United States. I have no doubt that he would refuse to carry out any order that he felt was improper or illegal and would report it to this Intelligence Committee and the oversight process. That's the kind of person as an American citizen that I would like to see running the CIA, serving as Director. That's the kind of person, based upon my own personal experience as a member of this committee, that I would want to see confirmed to be the Director of the CIA.

So, Mr. Chairman and my colleagues, that is why it's very good to be back with you, to speak in support of a person in whom I have such complete confidence, George Tenet.

Chairman SHELBY. I want to thank all of you for your appearance on behalf on Mr. Tenet.

Senator D'AMATO. Mr. Chairman, I just want to say how pleased I am to have Senator Boren back again, a tremendously respected Member of this Senate. And many of us served with him on this committee when he was chairman, and he did a wonderful job at it. And I just want to say, welcome back and I hope you'll come back frequently.

Mr. BOREN. Thank you.

Chairman SHELBY. Thank you.

I will now turn to other members of the committee for their opening statements, and I will recognize them on the time of their arrival.

Senator Roberts.

Senator ROBERTS. Thank you, Mr. Chairman.

I'd just like to associate myself with your remarks and that of the distinguished vice chairman, Senator Kerrey.

I would like to welcome Mr. Tenet and all of the departing members who were riding shotgun with him, and indicate that it seems to me that we have quite a few members of the "Let-George-Do-It Club," and I hope we can make some expeditious decisions here. I would also like to say to President Boren—or to Senator Boren or President Boren—I am over here, David—that Senator Inhofe wanted to express a personal greeting to you, sir. He had to leave to go to another meeting. So, in behalf of Jim, I want to welcome you. And as a Kansas State graduate, I want to thank you for bringing parity to the Big Twelve football conference.

Mr. BOREN. I appreciate the Senator's agreement with my emphasis on academics at the University of Oklahoma.

Senator ROBERTS. OK. Thank you, sir, and I yield back, Mr. Chairman.

Chairman SHELBY. Senator Baucus.

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

The question facing all of us today, obviously, is what criteria we use in passing upon the nominee, someone named by the President of the United States to serve him. And I think most of us would agree that, generally, the President should have his person. After all, the President is putting together his own team. And if he is going to effectively conduct the executive branch, he has to have his own people.

But, as we all know, our Founding Fathers asked the Senate to also pass upon the qualifications of nominees. And I think each of us has generally the same set of criteria, although some of us might have criteria that are a little bit different from others.

And I'd just like, Mr. Tenet, to basically tell you mine, then focus somewhat on a problem I think we still have within the CIA.

My general view is, if the nominee is generally—generally has the experience, that he should be qualified. I think that condition certainly is met here. Another is the requisite integrity; does the nominee have the moral integrity to do what is right and what is wrong? Based upon the experience of various persons who have already spoken, and my experience, I think it's quite clear that the nominee does have that—does meet that standard. And the third one for me is his thinking in the mainstream of contemporary international relations. And I think that's pretty clear, too. I think Mr. Tenet is not an ideologue at either one end of the spectrum or the other. I mean, he is pretty pragmatic and wants to get the job done.

I must say that I think that the DCI also should possess some other criteria, and one that we discussed or touched on just briefly is whether he is his own person. Can he or will he give the unvarnished truth, however he sees it, to the President, to the Secretary of Defense, to the Congress, to the Secretary of State? Near as I can tell, Mr. Tenet, you will do that. But you obviously know that that is your responsibility, and you also know that in the future you're going to be judged on how effectively you do that. That is so critical.

Senator Mikulski touched on another qualification which I do believe is important, and that's the degree to which you're perceived

as a leader. Now, you have special role over there. You're to serve our country, gather the facts; and report them to the requisite people. But you're also to be a leader in the sense that people trust you, whether it's somebody in government or somebody outside of government, that you are very effective in your leadership qualifications.

The problem I have, still within the community, is the aftermath of the Aldrich Ames spy case. As you know, the IG, inspector general, made general recommendations that should be taken to assure, as best we possibly could, that in the future Aldrich Ames do not reoccur. I'm not confident that the Directorate of Operations is really reformed enough to minimize to a reasonable level the recurrence of subsequent breaches, as was the case of Aldrich Ames. There are still deep problems that need to be corrected within the Directorate of Operations. And during the Q&A I'm going to be asking you some questions about that, essentially whether you believe that enough has been done to reasonably minimize recurrence of problems like that or not or what you're going to do about it so that the American people feel more confident that we're not going to have other problems like that.

One standard I think that you can use for yourself, Mr. Tenet, is what you're going to be remembered for when you leave—you know, what's your legacy. And this is a good opportunity for you to be thinking about that. You probably have at least 3 years before the next administration. What is the legacy that George Tenet's going to leave? What will he be known for? And I'd like during the Q&A for you to respond to that to the degree that you can at this point.

And finally, I think that a good standard, a good criteria as to whether you've done a good job or not is whether—and I think this is something that you should strive for—the next President of the United States, whether he or she be Republican or Democrat, comes to you and says, George, you've done such a good job I'd like you to continue to be DCI. That was the case with—not DCI, but—I remember Mike Mansfield, the—who was Ambassador to Japan. President Carter appointed him Ambassador. He did such a good job that the next President, President Reagan, turned to Mike, said, Mike, you're doing such a great job I'd like you to continue.

Senator Boren spoke of your bipartisanship. If you do just a great job I'm quite confident that the next President will certainly consider having you continue.

Chairman SHELBY. Senator Robb.

Senator ROBB. Thank you, Mr. Chairman.

I look forward to the hearing. I agree with the judgments that have already been rendered by the accompanying Members and former Members of the Senate. Mr. Tenet comes to this particular responsibility as a known entity by all of us who had the privilege of working with him. I think it's important that this confidence that the committee has in him be available and evident to the larger community that doesn't have an opportunity to follow everything that he does and will be doing as Director of Central Intelligence. But I think he's a superb nominee.

I, too, will have some questions, but I look forward to hearing from him and to working with him.

And I thank you.

Chairman SHELBY. Senator Coats.

Senator COATS. Mr. Chairman, I'm looking forward to the statement of Mr. Tenet and the opportunity to question him, and I'll pass on an opening statement at this time.

Chairman SHELBY. Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

First, I wish to commend the President for sending such an outstanding nominee to this very important position.

It's been said that when a university selects its president, it is making a fundamental statement of its own assessment of where the institution is and where the institution wants to go. Applying that standard that the University of Oklahoma did so well when it selected Senator Boren to this nominee, I would say that what George Tenet's nomination stands for is professionalism, is the confidence of those who will be the clients of the information that his agencies will provide, and a sense of the essential importance of the Nation above any other interest.

The emphasis that has been placed by Senator Boren and others in their introductory testimony on George Tenet's bipartisanship is, I think, an extremely important quality and statement as to the importance of this nominee.

I look forward to the questions that we will have and particularly the statement that Mr. Tenet will deliver to us. I'll be particularly interested in pursuing some questions as to his assessment of the future environment in which the agencies will be operating, and how he would propose to lead the agencies to respond to that changing world in which they will be providing critical information for American decisionmakers.

Thank you, Mr. Chairman.

Chairman SHELBY. Senator Bryan.

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

I welcome our distinguished nominee. He is no stranger to this committee, and he brings an important credential and pedigree that we all respect. I would ask that the full statement be made a part of the record, Mr. Chairman.

Chairman SHELBY. Without objection, it's so ordered.

[The statement of Senator Bryan follows:]

PREPARED STATEMENT OF SENATOR RICHARD H. BRYAN

Mr. Chairman, I appreciate the opportunity to have this hearing to consider the nomination of Mr. George Tenet to be Director of Central Intelligence.

Mr. Tenet, the Senate Intelligence Committee knows you well, both from your previous role as Staff Director on this Committee, and from your last two years as Acting Director of Central Intelligence. Although I did not serve on this Committee during your tenure as Staff Director, I have appreciated your candor both during testimony before this Committee and in private conversations. I look forward to your confirmation.

As Director of Central Intelligence, you will be facing unprecedented challenges. One of the key issues you will need to confront is the public's perception of the CIA. Over the last several years, the CIA's credibility among the American people has suffered greatly. This is not entirely deserved. The CIA continues to provide invaluable information to civilian and military decisionmakers. Many outstanding men and women work long hours, with little notice, and in often dangerous conditions, in this important effort.

Despite the many successes, I do have strong concerns regarding the future of the Intelligence Community. For years, we have heard the Directors of Central Intelligence come before this Committee and firmly state that the CIA is moving beyond

the Cold War into the next century. Yet, the scandals and controversies revolving around the CIA continue to make the headlines, leading many in the public to believe the Intelligence Community has lost its sense of direction and purpose.

Too often in the past, the Intelligence Community has shown an unwillingness to adapt to the new atmosphere and threats faced by our nation. Too often, change at the CIA occurs only after the Agency is dragged through the mud by public outcry or forced to take action by Congressional mandate. It took Aldrich Ames before the CIA thoroughly reviewed and revised its counterintelligence procedures. It took the divulgence of inappropriate CIA conduct in Guatemala for the CIA to finally begin the process of getting rid of non-productive or dangerous human intelligence sources. It is taking outrage and protests by Gulf War Veterans who may have been unnecessarily exposed to chemical agents for the Agency to look closely at shortcomings in intelligence analysis, and how intelligence is provided to those who most need it.

The Intelligence Community has also been slow to realize that wasteful spending and sloppy financial management cannot be tolerated in the current budget environment. For instance, I believe that in the past, the NRO has used its secrecy to avoid appropriate financial management. Only after a series of scandals regarding its new headquarters building and forward funding has the NRO taken steps to put its financial management shop in order.

Mr. Chairman, the Intelligence Community is in need of strong, consistent leadership that is not afraid to challenge outdated thinking and move the Community into the next century. The Intelligence Community needs leadership that can identify shortcomings at the CIA before they become scandals or threaten human lives. It needs leadership that will offer commendation when a job is well done, but will also not hesitate to hold officials accountable when a job is performed poorly.

In my view, Director Deutch provided a foundation of reform and accountability within the Intelligence Community. The next Director of Central Intelligence cannot just rest on this foundation, but must continue to push forward. I believe you are the right person to do this, and I look forward to your speedy confirmation.

Senator BRYAN. I would just like to make a couple of comments. I think that Senator Mikulski's point is particularly well taken; that, in a democracy, the institutions of that democracy derive their support from the governed. And that's why I believe that the credibility of the Agency is so terribly, terribly important. Because of the clandestine nature of its operations, many of the successes of the Agency are not capable of being publicized. But we have seen too often in the past that the intelligence community has shown an unwillingness, in my view, to adapt to the new atmosphere and threats that faced our Agency and our country; that too often, change at the CIA has occurred only after the Agency is dragged through the mud by public outcry or forced to take action as a result of a congressional mandate.

It took the Ames matter before the CIA thoroughly reviewed and revised its counterintelligence procedures. It took the divulgence of inappropriate CIA conduct in Guatemala for the CIA to finally begin the process of getting rid of the nonproductive, or dangerous or inappropriate, human intelligence sources. It is taking outrage and protest by the gulf war veterans who have been unnecessarily exposed to chemical agents for the Agency to look closely at shortcomings in the intelligence analysis and apparently the failure to make that information available in a meaningful way to those that were part of the field command.

I've been concerned, as you know, Mr. Tenet, during my tenure, with the management practices with respect to the NRO, the failure of, in my judgment, appropriate financial management. And only after a series of scandals regarding the new headquarters building and the forward-funding issue has the NRO taken steps to put its financial management shop in order.

Finally let me say that I think these problems and their solution are a product of leadership, leadership that will hold individuals accountable when they fall short of the standard that you will establish, and to commend those who obviously do well. In my view, Director Deutch provided a very important foundation for that reform and accountability within the intelligence community.

I believe that you are the right man to continue that process, and I look forward to your speedy confirmation and look forward as a member of this committee to working with you, and I commend you.

Thank you, Mr. Chairman.

Chairman SHELBY. Senator Kyl.

Senator KYL. Thank you, Mr. Chairman.

Mr. Tenet, first of all, I was privileged to meet with most of the station chiefs from the European theater not too long ago and in discussing with them their biggest concerns—you know it well and they relayed it to us—and that is that there's a lack of appreciation by the American people of the work that's done day to day in the streets, people spending a lot of hours working behind desks and providing critical information for the policymakers in this Government, sometimes risking their lives. We never hear about the successes; we almost always hear about their failures.

And I'm sure that is something that you intend to do as much as you possibly can about. But it occurred to me and I expressed to them the fact that these hearings would at least be an opportunity for those of us who have some knowledge about that to try to remind the American people of the great good that so many people do. These people are in many respects just like the people in our military services who rightly receive a great deal of credit for what they accomplish on behalf of our Government. They work for us and they work very hard for us.

And it is appropriate that we focus public attention on the deficiencies of any Government agency, including the CIA, when that's appropriate. But I'm sure you share with me, and will express later, your appreciation for the work that these people do.

And I just wanted to say, on behalf of my colleagues who were present there, that this is a fine group of men and women who deserve a great deal of credit, and that when there is a bit of bad publicity about something that people should not jump to the conclusion that that's the way that most of the people are or that that's the way the Agency is, because the fact of the matter is, the Agency is—as you will tell us, I'm sure—is populated by a group of very fine people. And that's one reason I appreciate your emphasis on the people in the opening statement that you will make, hopefully, very, very soon.

But to delay it just one more second, you can be thinking about a couple of questions that I have about your statement. And obviously this is not the time to ask questions, but I am always a little concerned when people speak of the efforts of the past, particularly the efforts of the cold war, as if they were either bad or unsuccessful. We won the cold war largely because we had a group of dedicated people, such as I've just described, who didn't wither in the face of criticism, who didn't set policy based on hope, who told the truth, and who believed in peace through strength. And that the

intelligence that was the backbone of our policy during those days was a big part of that. And so it is somewhat distressing—and I'm sure you'll be able to tell us what you mean by statements like the following—to see these kinds of things in print, unless they are merely platitudes, which I know you don't speak. When you say things like, ultimately, leadership at this moment means closing the door on the cold war and embracing the challenges and opportunities of the new era. Obviously, we all agree the cold war is over. But what—who has left that door open; in what respects?

You say, I would turn our gaze from the past and fix our attention on the future. Who's gazing in the past? What do you have in mind there?

Acting Director TENET. Do you want me to answer it now or later?

Senator KYL. No. I just wanted to get these points out right now. And you said further that we must learn from the past successes and mistakes, but the new challenges rushing toward us make it dangerous, frankly, to keep looking over our shoulders. And I don't know who's looking—who continues to look over shoulders.

Obviously, we have to look in the future, and you have some ideas about changes in the Agency that would be propitious in this new era. And I know you'll share those with us.

So those are just some of the questions that I had about what is otherwise I think an excellent statement that you're about to give and I won't delay any further. And it's good to have you here today.

Acting Director TENET. Thank you, Senator.

Chairman SHELBY. Senator Glenn.

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

It is a pleasure to be here today for this confirmation hearing. I know it was mentioned earlier that George's wife Stephanie, his mother, his son John Michael, and others are here with us this morning. I know all these nice things are being said about George this morning, but George, I always figured you married above yourself. So I'm—

Acting Director TENET. True, Senator, true. [Laughter.]

Senator GLENN [continuing]. Happy to have Stephanie with us here this morning. George is no stranger to this committee, 4 years as staff director. We've had a number of people leave this committee, and go on to other things. The committee's former budget director, Keith Hall has been recently confirmed by the Senate as Assistant Secretary of the Air Force and as Director of the NRO. Former committee budget director Mary Sturtevant has recently been appointed CIA comptroller. So I regret we have but one committee to give to our country.

I first came to know George when he was appointed in January 1989 as staff director, and we overlapped for 4 years before he went on to other things. And I found him to be highly intelligent, capable, hard working, conscientious, and as David said a little while ago, never shy about stating his views. And those are qualities that are an absolute essential in the job that he's about to go into, we trust.

As committee staff director, and subsequently as a member of the National Security Council, and as Deputy Director of Central Intel-

ligence, he's been immersed in a broad spectrum of complex, controversial intelligence issues. It's been my observation that George has effectively dealt with these issues with competence and with professionalism. And I'm sure he's going to be a good leader in the intelligence community.

As I stated at his 1995 confirmation hearing to become DDCI, George's ability and professionalism was particularly on display during the committee's approximately 6 month confirmation process of Robert Gates to be a Director of Central Intelligence in 1991, until recently, the most bitterly contentious confirmation hearings ever conducted by this committee.

And the reason I bring that up this morning is that the lengthy Gates confirmation process is one of the most significant oversight events in the committee's history. And it was the job of the committee staff director to present facts to committee members in a fair, thorough, and unbiased fashion, and he did exactly that. And that's exactly what he's going to have to do in the new job he's going into now.

I think it's also fair to say that when the divisive Gates confirmation process was finally concluded, George retained the respect and confidence of all members of this committee, both Republican and Democrat—every single one of them. And that's a great tribute to him.

We're at a time period with our intelligence efforts when they're changing dramatically, very dramatically. We have new power centers in the world. We have—technology is changing. More requirement for human intelligence. I think when we're cutting back in the military, as we are, instead of cutting back on intelligence, if anything we might even need to be increasing it instead of cutting back, because history has shown throughout our whole history, over the last 120 years or so, that we build for 7 years, we go down for 10 years in our military capability. It's almost uncanny that it fits on a 17-year cycle, if you look that up. So the emphasis has shifted.

We have new problems, we have new powers building, we have terrorism to deal with, computer vulnerability, new power centers, changing economics. And I hope, George, that you're not going to be hesitant about fighting for a budget out there which I think you're going to need to cope with all of these things.

So it's a real pleasure to have you here this morning. I'm sure he's going to do well in his role as manager of the intelligence community. I look forward to discussing his vision of the future. We've already had private conversations in this regard. I'm glad to be here this morning. Welcome.

Acting Director TENET. Thank you, Senator.

Chairman SHELBY. Senator Chafee.

Senator CHAFEE. Thank you, Mr. Chairman. I'd like my statement to go in the record.

Chairman SHELBY. Without objection, it's so ordered.

[The statement of Senator Chafee follows:]

PREPARED STATEMENT OF SENATOR JOHN H. CHAFEE

Mr. Chairman, I join you in welcoming George Tenet before our committee this morning, and am pleased his nomination papers were sent to Capitol Hill so that this hearing could be held. The vacancy in the position of permanent Director of

Central Intelligence (DCI) has existed for far too long, and we must act resolutely to fill it. At the same time, this Committee must also carry out its responsibility to thoroughly examine this nominee's qualifications for this most sensitive position.

The president's nomination of Mr. Tenet for the position of DCI, I believe is an excellent choice. I have known George Tenet for many years, and agree with Chairman Shelby's characterization of him as a person of integrity and professionalism. When he served on the staff of this committee, George Tenet was respected by all sides as a highly capable manager and an insightful expert on intelligence matters. It was no surprise that he was unanimously and very warmly approved by this committee for the position of Deputy DCI two years ago.

At these hearings, the Senate Select Committee on Intelligence should fully assess Mr. Tenet's performance as Deputy DCI and Acting DCI during this extended period of having a vacancy at the top of the CIA. Our intelligence community has undergone considerable change and has endured occasional turbulence during the past two years, and George Tenet has been in a decisionmaking position throughout this time. Evaluating his performance in the past will be helpful in assessing his qualifications for the position of DCI.

But more importantly, we must explore Mr. Tenet's vision for the future of the United States intelligence community. Many more challenges remain in the intelligence field, and we, on this committee, must learn how George Tenet plans to meet them. For example, the DCI must assess what are the serious threats to our national security. He must also adjust our intelligence resources properly to address a changing, unpredictable post-Cold War era security environment. And he must also work with us here in the Congress on continuing the process of helping to improve management of all of our intelligence resources, which, of course include much more than the CIA proper. Finally, he must be a leader who will inspire those who work in our intelligence agencies.

From my past experience with George Tenet, I have found him to be both knowledgeable and capable of meeting the challenges I have outlined. I look forward to addressing all of these matters in this committee's hearings this week. Thank you Mr. Chairman.

Senator CHAFEE. I'd just like to make a couple of quick comments if I might, Mr. Chairman.

First, I am glad we are moving on with this nomination. I think the vacancy of the DCI position has been too long. And I think we ought to move quickly, as you are, Mr. Chairman, to get this position filled.

Mr. Chairman, I believe the nomination of Mr. Tenet for DCI is an excellent one. Like others here, I have known him for many years, worked with him in the past. And I think your characterization of him, as a person of integrity and professionalism, is an accurate assessment of Mr. Tenet.

Now, I think we ought to carefully examine his performance as Deputy DCI and Acting DCI during this extended period of a vacancy. He has been in a decisionmaking position throughout that time, and I think we ought to question him about that and evaluate his performance.

But most of all, Mr. Chairman, I think what we want to do is learn from Mr. Tenet what's his view of the future; where do we go from here? What are the most serious threats to our national security as he sees them? How is he going to adjust our intelligence resources properly to address this unpredictable post-cold-war era? And how is he going to work with us on continuing the process of helping to improve the management of all our intelligence resources?

And finally, next—no, not quite finally—but I do want to say that this capability that Senator Boren discussed about George telling it how it is, is obviously a very important characteristic that he should have in dealing with the President. He has got to provide

the President the best information that he has—and do it in a straightforward manner.

And finally, Mr. Chairman, I believe that his role as a leader of the intelligence community is a very, very important one; what he has got to do is inspire those who work for him about the work they are doing, and give them encouragement and make them feel valuable and wanted, which is always the role of a leader. I am confident, from my past experience working with George Tenet, that he has these capabilities, and I am glad that we are moving forward with this hearing today.

Thank you, Mr. Chairman.

Chairman SHELBY. Senator Lugar.

Senator LUGAR. Mr. Chairman, I think we have all heard how critical the intelligence services are to the national security of our country. And the evaluation that we must make is whether the nominee will have the ear of the President of the United States and his trust, and senior policymakers; and likewise, whether he will have our trust and a dialog that will be constructive.

I've been impressed with the testimony of Senator Boren from his own experience with George Tenet, likewise with our colleague Senator Glenn this morning, and Senator Chafee. They have dealt with George Tenet, and their words, I think, are especially meaningful. I'm impressed with his qualifications, and I look forward to his statement.

Chairman SHELBY. Senator Allard.

Senator ALLARD. Thank you, Mr. Chairman.

I am looking forward to the hearing and looking forward to the comments from George Tenet. I am a new member on this committee and obviously feel very comfortable with our relationship up to this point. We'll be looking forward to what you have to say as the hearing moves forward.

I view your position as a very challenging position, and if anything, the most challenging part of it might be the communication part—for example, how you maintain confidence of those in the field but yet maintain the confidence of those on this committee, and myself, in particular, that we develop a personal relationship of confidence. I think that's what it's all about. And, you know, when it boils right down to the bottom line, it's keeping confidence with the American people.

And so I'll be looking forward to hearing your comments on how you plan on maintaining that confidence with all those interested parties. I commend you for willingness to assume a position with this kind of responsibility. I think the position of DCI has awesome responsibilities. From what I know of you up to this point, I think you're capable of measuring up to the challenges of the position.

Thank you, Mr. Chairman.

Chairman SHELBY. Senator Hatch.

Senator HATCH. Well, George, we welcome you to the committee. As you know, I support you strongly. And it's great to see our colleague David Boren here again. We traveled together when I was on the Intelligence Committee before, and I've always had great respect for you and look forward to working with you and supporting you in this process.

I am happy to see this process move forward. So, we're proud of you and we look forward to working together.

Chairman SHELBY. Senator Inhofe.

Senator INHOFE. Mr. Chairman, the only regret I have from this meeting is that I had to excuse myself and talk to a large group of Oklahomans during the very time that Senator Boren was speaking. But I can assure you that I've spent many hours with Senator Boren in talking about George Tenet. And I have to tell you, knowing—even though I wasn't here, I know what you said and I agree with you, Senator Boren.

I have been criticized for some of the ways in which we questioned the previous nominee for this position; but, you know, the Director of Central Intelligence is very, very significant. It's important that a person have the capability and has demonstrated that capability to be totally objective. And I have no doubt in my mind that Mr. Tenet has. And I would say, just barring something totally unexpected that would come through the course of these hearings, I will be one of your most enthusiastic supporters.

And again, I appreciate the fact that you are the nominee and will be doing a great job.

Chairman SHELBY. Thank you.

Before you proceed with your opening statement, Mr. Tenet, I would like to take a moment to recognize some of your family members who have accompanied you here today: your wife, which we've mentioned. Ms. Stephanie Tenet; your son, John Michael Tenet; your mother, Ms. Evangelia Tenet; your brother and his wife, Dr. William and Alice Tenet; your wife's parents, John and Cleo Glockus, and your wife's brother and his wife, Nicholas and Katie Glockus. I'm sure there are others. I think that's a good thing.

Mr. Tenet, would you stand and raise your right hand.

Chairman SHELBY. Do you, George J. Tenet, solemnly swear that the testimony you are about to give will be the truth, the whole truth and nothing but the truth, so help you God?

Acting Director TENET. I do.

Chairman SHELBY. You may be seated, and you may proceed with your opening statement.

TESTIMONY OF GEORGE J. TENET, DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, NOMINEE TO BE DIRECTOR OF CENTRAL INTELLIGENCE

Acting Director TENET. Thank you, Mr. Chairman and members of the committee.

I want to thank Senators Moynihan, D'Amato, Sarbanes, and Mikulski and the president of the University of Oklahoma for their kind introductions today.

I'm honored, Mr. Chairman, by the President's nomination to lead our country's intelligence community. As you know, most of my professional life has been spent in some aspect of intelligence work, either in this committee, the National Security Council, or at the Central Intelligence Agency, where I have served for 2 years in these positions, convinces me that strong, stable, and consistent leadership will be required to propel our intelligence community successfully into the 21st century.

To me, such leadership means setting a clear direction and keeping an unrelenting focus on the most important threats to our country. It means demanding the highest standards of personal integrity and professional performance. It means being independent and forthright. It means taking risks to get information our Nation's leaders need to protect U.S. interests. It means building on the real advances we have already made under John Deutch's leadership, advances in operational and analytical tradecraft, advances in new collection architectures, advances in mission-based budgeting, and most important, advances in counterintelligence.

It means never allowing the cloak of secrecy to stand in the way of an open and honest dialog with the American people or with experts outside the intelligence community who can help us interpret this complex new world.

In this, I might add, there are opportunities to address the serious issues raised by the Bipartisan Secrecy Commission chaired by Senator Moynihan and Congressman Combest. It is time for us to better distinguish that information which really ought to be kept secret from information that ought to be made available to the American public.

Ultimately, leadership at this moment means closing the door on the cold war and embracing the challenges and opportunities of a new era. If in this new era you confirm me as Director of Central Intelligence, you are not hiring me to simply observe and comment; you will be hiring me to warn and to protect.

In that regard, we need to question what really matters to us; what are the issues on which we simply cannot afford to fail as an intelligence community? The answer, I believe, is clear. As always, for American intelligence, the problems at the top of the list must be those that pose serious danger to the physical security of the United States, our Armed Forces, and our citizens.

We must, therefore, keep relentless watch on all aspects of nuclear weaponry, including not just those countries which have such weapons, but also those that seek them. We can never know too much about the hostile nations such as Iran and Iraq, who seek not only nuclear weapons but also deadly biological and chemical toxins they could use on United States troops, introduce into our country, or export to others. Nor can we ever know too much about heavily armed and volatile countries like North Korea, or about international terrorists who target American citizens and our allies.

Our attention must also be riveted on other transnational actors, such as the narcotraffickers and other organized criminal groups whose revenues from the drug trade alone amount to \$300 billion and exceed the gross national product of most of the world's countries.

And while we focus on all these targets, we cannot afford complacency about the unfinished transformations that are occurring in China and Russia, as long as there is any question about their future direction or even the slightest remaining doubt about the ultimate fate of the nuclear weapons they control.

On issues like these, Mr. Chairman, we simply cannot afford to fail. As such challenges make clear, the enduring and fundamental mission of intelligence will remain what it has always been

throughout the course of our history—to be the Nation's first line of defense.

If I am confirmed, Mr. Chairman, I would have the privilege of leading people who are charged with being first: the first to discern an impending threat to the security of the United States and its people, sometimes long before the signs are persuasive or even apparent; the first to make these concerns known to the President, to the Congress and to other senior leaders, and sometimes in ways that can never be heralded; the first to arrive on the scene of a crisis and to step into harm's way.

Stated simply, our mission is to ensure that the Nation's leaders have the time and information they need to avert imminent danger and, when it cannot be averted, the wherewithal to prevail.

To be sure, Mr. Chairman, there is room to debate the specific direction and focus of the Nation's intelligence effort. But with regard to fundamentals, I haven't the slightest doubt about what the American people expect of us. First and foremost, they want to know that the intelligence community is working to protect the lives of our men and women in uniform and to ensure that they dominate the battlefield when they deploy to the remote parts of the world; that our diplomats have the critical insights and foreknowledge they need to advance American interests and avert conflicts; that the United States is tracking and anticipating the major geopolitical and strategic transformations underway in the world, not just observing and reacting to them; and that we are focusing not only on threats, but also opportunities, opportunities to act before danger becomes disaster and opportunities to create circumstances favorable to the U.S. interests.

And so, Mr. Chairman, to those who continue to ask whether intelligence still has a mission, I would say it is time that we move on to the more urgent question: How can we ensure that our Nation's intelligence capabilities are right for the 21st century? That is the question I will tackle if confirmed as Director of Central Intelligence.

What kind of leadership would I bring to this challenge, Mr. Chairman? Let me address this in two parts, the first relating to my leadership approach, the second focusing on the longer-term goals I would pursue if confirmed. My approach to leadership is straightforward: People come first. As vital as sophisticated technology is to our work, intelligence is primarily a human endeavor.

The men and women of the intelligence community are unmatched in their dedication, drive, and devotion to duty. Because our work force is smaller today, we have to focus even more than in the past on the tools, training, and resources our people will need to meet the challenges I've spoken about. To this end, we must recruit new officers who speak the languages, have the state-of-the-art technical skills needed to mount operations against the hardest targets. We must deepen our analytical expertise in all fields, and insist that our people contribute to and learn from centers of excellence at universities, think tanks, and elsewhere.

As Director, I would insist that we draw more frequently on the world class expertise that resides in our country's private sector by sponsoring more scholars in residence and reaching out to special-

ists who can help us fill critical gaps or bridge shortages where they are necessary.

By implementing these practices, we can realize one of my highest goals—to assure that our people consistently are recognized as the Nation's premier experts in their fields.

Beyond the centrality of people, Mr. Chairman, there is another point I would highlight about my approach to leadership. It is my firm belief that problems must be tackled at their roots in a systematic, comprehensive, and strategic way, rather than one piece at a time. That is why I worked with the President and the National Security Adviser, during my time at the White House, to develop a comprehensive system of priorities that focuses our intelligence community on the most difficult and most important targets, and integrates our work on them. It is also why we worked so hard after the Ames case to strengthen our counterintelligence cooperation with law enforcement, and it is why we must now deepen that cooperation and to extend it to other areas, because without it, neither law enforcement nor intelligence can make progress the country expects on top priority missions such as counterproliferation, counterterrorism, and counternarcotics.

Looking to the future, Mr. Chairman, let me share with you the broader goals, values, and commitments that would drive my leadership of the community, should I be confirmed.

My first and overriding goal would be to give the President and other senior leaders the information they need, when they need it, to protect American interests.

This sounds like it should be easier in today's more open world but, in fact, it's not. In fact, the truth can be more elusive in an age of information overload than when many more societies were closed. But this in no way lessens our obligation to know the facts and project ahead often when stakes are very high for the United States. Getting it right in the tough situations, situations that demand unassailably accurate information and the soundest judgment will always be my highest priority.

Second, I would turn our gaze from the past, fix out attention on the future, and target our investments on innovation. We must learn from past excesses and mistakes, but the new challenges rushing toward us make it dangerous, frankly, to keep looking over our shoulders. In recent closed testimony on our budget, I spoke concretely of future technological challenges and described for you the new and in some ways revolutionary collection strategies we are proposing. I strongly believe the intelligence community, which after all brought this Nation the U-2 and imagery from space, has an obligation to be a national center for excellence and technological innovation. We must be on the cutting edge. If I'm confirmed, my aim would be to take us there and keep us there.

Third, I would create an intelligence culture that challenges conventional wisdom and encourages creative but responsible risk taking. From its earliest days, the greatest success of American intelligence have come at a time when an intelligence officer was able to see what others could not, dare what others would not, and refuse to give up in the face of overwhelming odds. Next to objectivity, this ethic is the most important part of our professional identity. It cannot be allowed to wither.

But it would be misleading if I did not also say to you and to the American people that this kind of risk taking no matter how responsible will occasionally produce something other than total success. An intelligence community that shrinks from this, however, will never succeed on the scale required to protect American interests in the 21st century.

Fourth, risk taking does not equal recklessness and in no way diminishes my commitment to accountability to the President, to you, and ultimately the American people. The more than 400 formal notifications Congress has received in the last 2 years, candidly covering our programs, our successes, and our problems, is tangible evidence of this commitment. But accountability does not work unless it begins with each individual in the intelligence community. Its leader must demand the highest standards of personal integrity and professional performance from all of its members. And if confirmed, Mr. Chairman, that is exactly what I will do.

Fifth, the intelligence community of the future must be more closely knit. Our mission is often so dangerous and so vital that there is no room for turf battles or competition. My commitment, if confirmed, is to lead the community toward closer teamwork across the board and to streamline the process of intelligence gathering and analysis.

Let me be absolutely clear: Intelligence reform in the end must be about leadership that emphasizes improved performance. Judgments about performance will drive all of my decisions as Director, including my recommendations to you about programs in the community budget.

Sixth, I would insist that we achieve progress in support of diplomacy commensurate with the enormous strides we have made in supporting our military forces. Although our Nation's diplomats are extraordinarily well informed, they, too, need information tailored to the unique operational challenges they face each and every day. Getting it is essential to their success, which, after all, is often crucial to avoiding the resort to military force.

Finally, Mr. Chairman, we are heading into an era where, more than ever, flexibility will be the watchword of the intelligence business. The potential for surprise will be greater. There will be fewer static targets. We will have fewer resources. Mindful of that, we have already begun to implement programs to enhance our surge capacity in times of crisis and provide more reliable early warning. We must be able to adjust our collection posture quickly, draw more heavily on outside expertise, and ensure that we are not caught unaware in parts of the world that move quickly from backwater to front burner.

In these remarks, Mr. Chairman, I have sought to give you a sense of what kind of world I see on the horizon, what kind of intelligence we will need in that world, and what kind of leadership you could expect from me over the course of the next 4 years if I am confirmed. At the end of the day, I would not want to look back on my tenure as Director of Central Intelligence and say that I had presided over a well-run bureaucracy.

Rather, I would hope that I could simply take quiet pride in our people being recognized as part of the world's very best espionage

organization. Implicit in this goal, and in all that I have said today, are four underlying commitments as we look into the future.

To the President and all others who rely on our Nation's intelligence capabilities, I will deliver intelligence that is clear and objective and does not pull punches.

To the Congress, you can expect forthright and candid views about our mission, programs, and priorities. I will not hold back.

To the men and women I hope to lead over the next 4 years, we will be partners. I know that you do not bring just your expertise to work every morning, you bring your dedication and your deep conviction that national security is neither a 9 to 5 job nor a career, but a public service. I will challenge you and I will invite you to challenge me. I will listen and I will need.

To the American people I would say, Mr. Chairman, your intelligence service is committed to protecting our country from all those who would threaten it. We will honor always the trust you, the American people have placed in us, and we will serve you with fidelity, integrity, and excellence.

Mr. Chairman, I want to end on a personal note by thanking a number of very special people. My father is no longer with us. He came to this country over 70 years ago, before the Great Depression. He didn't have a nickel in his pocket. He worked hard, loved this country and loved his family. He took nothing for granted about this country. I'm the product of my father, Mr. Chairman, and I will take nothing for granted in leading the men and women of U.S. intelligence.

I'm also the product of my mother, and she's here today. A bit of history about her. She fled southern Albania at the end of World War II on a British submarine to escape communism—never to see her family again. She experienced first-hand a threat that became a vivid and changing reality. She's a real hero, Mr. Chairman. It is with these life experiences and values in mind that I would hope to lead our intelligence community.

Finally, Mr. Chairman, I want to thank my devoted wife, best friend, and partner Stephanie, for always being there for me and for her unwavering encouragement and faith in me. I'm here today because of her love and constant support.

Thank you, Mr. Chairman, and I look forward to your questions.

Chairman SHELBY. Thank you.

Mr. Tenet, the CIA's clandestine service, what we call the Directorate of Operations, has experienced a series of demoralizing scandals in recent years. You mentioned them, and others have—the Ames espionage case, the French diplomatic flap, and most recently the Guatemalan case.

Some people are openly calling for the abolition of the clandestine service. Others support the idea of a strong human intelligence collection capability but are dismayed by the recent string of failures on the part of the Directorate of Operations.

Where does reforming and revitalizing the CIA's clandestine service rank in your list of priorities for actions should you be confirmed as Director of the CIA?

Acting Director TENET. Mr. Chairman, I want to start first of all by braking back on that a little bit. I'm not going to be politically correct here. I believe that the men and women of the Directorate

of Operations perform a great service for this country each and every day.

Chairman SHELBY. I do, too.

Acting Director TENET. I believe that there is a clarity of mission; there's a focus on counterintelligence. There's a focus on tradecraft. I believe there is a focus on excellence and discipline in this organization. One of the reasons I talked about not focusing on the past before is it's because the past—there were problems in the past, and this was not a perfect organization.

But these are the men and women who are responsible for putting terrorists in jail. These are the men and women who are responsible for protecting our forces in Bosnia. These are the men and women who every day make a commitment around the globe and put their lives on the line.

Now, Mr. Chairman, I've been to over 20 countries and visited a great number of stations and bases. I've never seen a problem in morale. I've never seen less a commitment to mission or to this country.

Now, to say is it perfect, it's not perfect, Mr. Chairman. We're going to get better in the future. The glass is not half-empty; it's more than half-full. And I believe the standards that we've put in place over the last 2 years, our commitment to hard targets, our relentless focus on espionage, and the commitment we've made to these men and women will prove an enormous result for this country. And I think it's important that we brake back.

We read a lot about morale. I haven't seen bad morale when I've seen people who are challenged by their mission and their leadership. And I think it's important to say to the American people this morning.

Chairman SHELBY. Do you have some specific ideas other than what you alluded to about what needs to be done to ensure adequate oversight to CIA human intelligence activities?

Acting Director TENET. Senator, the—

Chairman SHELBY. Could you share them with us here, or would you rather do some of that in closed session?

Acting Director TENET. No, Senator, I think that we've put in place a system of command alertness—

Chairman SHELBY. And you think it's working.

Acting Director TENET. Yes, Senator, I do think it's working. And I think that up and down the chain of command people understand that the world is different, people understand that there's got to be greater transparency. And I believe they understand this—this is not at the expense of risk taking and this is not at the expense of the real work of espionage that we have to conduct in this world.

Chairman SHELBY. What role, if any, Mr. Tenet, do you think that the Defense Department should play in clandestine human intelligence activities?

Acting Director TENET. Well, Senator, as you know, I neglected to talk about the Defense HUMINT Service; it was also a critical component of our overall human capability.

Chairman SHELBY. Absolutely.

Acting Director TENET. Senator, there are unique requirements that our military needs attended to, and they don't often fit neatly into CIA's clandestine service. But I'll say this to you; there is co-

ordination and training, there is coordination in the requirements setting. We work very closely with them, and there are a range of mission areas that I believe they have to pursue. And I think we should discuss more of that in closed session.

Chairman SHELBY. Can you comment here—and if you can't comment today, maybe tomorrow—on efforts to improve the tradecraft so that types of failures that we have seen recently can be averted in the future?

Acting Director TENET. Yes, sir; and I think in closed session we can go through some of those. But it starts with training. It starts with ensuring that our instructors are the very best and they have the kind of forward assignments that lead them to want to come train our very best officers. It goes to the heart of our counterintelligence standards and practices, which I think have been dramatically improved. And it goes to the heart of the leadership we provide in terms of the targets we pursue and the risk we need to take. And I think we are making fundamental improvements, and I think there have been improvements steadily over the last few years that would allow us to deal with some of these problems of the past where tradecraft wasn't what it could have been.

Chairman SHELBY. We have read a lot, and you have already alluded to it, recently about the so-called culture of the CIA Directorate of Operations. What do you see as the strengths and weaknesses of the CIA Directorate of Operations?

Acting Director TENET. Senator, if by culture we are talking about the willingness to take risks, the willingness to be on the cutting edge, the willingness to protect American interests, I want that culture working for me. People in the past—I am not a psychologist or a sociologist, so culture is a difficult thing to wrap my arms around—I think what we need to ensure is that, when you have an elite service, you need to ensure that it is not insular. You need to ensure that it is accountable; you need to ensure that it understands its chain of command. And I believe we are in that position today.

Chairman SHELBY. If there need to be changes, how do you expect to effect those changes without losing some of your best personnel? How do you do that?

Acting Director TENET. Well, Senator, I think that people who lead organizations have a responsibility to make changes and put their arms around people, and have them understand what change is all about.

We don't want to lose people. Working for us is a career. I don't want to lose a single officer because of what we train them and what they know, and their value to our country. Any we have lost people in the past. Those numbers are down, sometimes exaggerated. But I can't afford to lose a single GS-10 or GS-11 or a young officer because they don't feel challenged by us. If we lose people, then that's a leadership problem. Any my intention is to make sure that the people who manage people don't manage them, but lead them.

Chairman SHELBY. The Iran-Contra controversy suggested that the executive branch at times may be attracted to covert action, in part because it shields unpopular policies from scrutiny and debate by Congress and the American public. Should our Government con-

tinue to use covert action as an instrument of policy? And if so, under what circumstances should the United States address its goals by means of covert action?

Acting Director TENET. Senator, I believe covert action is a critical instrument of U.S. foreign policy, but it is an instrument of policy. It should never stand alone; it should never be the last resort of failed policy. You should never ask us to do what cannot be achieved by other means. And the concern, historically, has been at times we have been thrown into the breach when all else has failed. There has to be a clear rhyme or reason. There has to be a goal that we can achieve. There has to be a metric that we can measure, because if we are going to undertake these sensitive kinds of activities, you and I have to have the faith and trust that they are going to achieve something at the end of the day. And those are the kinds of standards that I think I would use in evaluating covert action and making recommendations to the President.

Chairman SHELBY. Do you believe that covert action could be more effective if employed or at least factored into the deliberations in the earlier stage? It depends on the case, I suppose?

Acting Director TENET. It really does depend on the case, Senator. But as you proceed down the range of options you have at your disposal on any subject, it's always better to think about this tool as you march through the policy formulation process.

Chairman SHELBY. I want to move to another area while I've got a little time, the gulf war syndrome.

Acting Director TENET. Yes, sir.

Chairman SHELBY. This committee has received significant input from gulf war veterans and other concerned citizens regarding the illnesses experienced by veterans of the gulf war referred to as the gulf war syndrome. You're very familiar with this.

On February 27 of this year, Mr. Tenet, you created a special task force to provide intelligence support to the numerous U.S. Government efforts to address the gulf war syndrome. In its April 9, 1997, report on Kamisiyah, the task force described documents dated as far back as 1976 which identified the location there, and as far back as 1984 that identified Kamisiyah as potential chemical weapons depot.

Included in the documents released by the task force on April 9 of this year is a situation report dated the 12th day of November 1991, which refers to a U.N. special command inspection of Tallalam ammunition storage depot, otherwise known as Kamisiyah, which noted the facility as, "littered with damaged and destroyed sarin-filled 122-millimeter rockets," and stated, "We're sending this information to you in order to take appropriate actions as you see fit, as the risk of chemical contamination by the 24th ID personnel is a possibility."

Another report, dated 20 November 1991, stated that the information on Tallalam was passed on the G-2 office of the 24th Mechanized Division at Fort Stewart, GA.

Why, Mr. Tenet, if you know, did it take 6 years for the intelligence community to find these documents? And isn't information collection and information processing a primary function of the CIA?

Acting Director TENET. Yes, it is, Senator, and it shouldn't have taken us 6 years to get that done. And we, in fact, as of April 1991 missed some intercepts of Iraqi communications that told us chemicals may have been exploded at Kamisiyah.

All I can tell you is that my approach since coming to this issue in January, has been to get all of the facts up and out; to devote the resources that are required—

Chairman SHELBY. And I commend you for doing this.

Acting Director TENET. But let me say—let me say something, Senator. Our performance of the CIA has done good things, and we have not performed as well in some of these areas. I believe we now have the resources available and the quality of people available to get this job done. And we will continue to push as much information out as we find it. And that's my commitment to the veterans and to the American people and to you.

The other thing, Mr. Chairman, I want to be specific about this, the men and women who had been working on this issue were doing the best job they knew how to do. There was nobody at the CIA who was engaged in a conspiracy or somehow wanted to deny people access to information. We simply didn't give them the resources and all the tools they needed. That was a management decision. I was part of that management team; I should take responsibility for it.

But when I came to this issue, I recognized we needed to do more and we have. Now, the record is not perfect. We've done some good thing and bad things. We're working with the PAC. We're going to do some simulated explosions at Dugway in May to see how these explosions may have occurred. We're going to assist the PAC in its modeling efforts. The Central Intelligence Agency and our intelligence community will help get to the bottom of this for our veterans, and that is my commitment to you.

Chairman SHELBY. Senator Kerrey.

Vice Chairman KERREY. Mr. Tenet, as you know, one of the hot issues is the issue of encryption, the exportation of encryption. And the administration has for a number of years been trying to work on a policy change to allow some additional exportation of encryption, as well as continuing to try to work to protect both the law enforcement as well as the national security equity.

This committee has begun to work on trying to come up both with a piece of legislation that we think can be supported by Commerce Committee, Banking Committee, as well as the Judiciary Committee.

Acting Director TENET. Right.

Vice Chairman KERREY. And the reason, Mr. Tenet, is that I believe that worse than passing the Burns-Leahy bill, which I do not support, worse than passing that would be not to change the law at all.

In short, I think there's a need to build a secure public network. And in order to get that done, the law needs to be changed. And in order to change the law, it seems to me we need to set a deadline, let's say October 1, that we're going to have a piece of legislation passed, conferenced, on the President for his signature. That leaves us about 60 legislative days if that becomes the goalpost.

I would appreciate knowing first of all do you agree with me that we need to change the law, there's an urgency to do it? And if so, do you put it at the top of your list of priorities?

Acting Director TENET. Senator, there is an urgency to address this issue. As we know, the security of communications is important in the new world we're moving into. Dealing with encryption in a way that maximizes the competitive advantage our companies have in the development of products while at the same time balancing the national security requirements and the law enforcement requirements have to be addressed. I think I know you've had some discussions in recent days on this subject, and I believe this is a priority the administration has to get behind—we don't have any other recourse here—because of the importance of this issue.

Vice Chairman KERREY. Well, it is not easy to, though it may seem to be, it's not easy to change the law even when it's non-controversial. But when it's controversial, such as this, it's a very difficult task.

Acting Director TENET. Yes, sir.

Vice Chairman KERREY. My belief is the only way it's going to happen is if it's Chairman Shelby, Chairman Hatch, Chairman D'Amato, Chairman McCain, Leader Daschle, Leader Lott, Speaker Gingrich, and all the other folks up and down the food chain that have legislative authority over this kind of proposed new law agreeing at the outset to a process that would result in the delivery of a law to the President on the 1st of October based upon an urgency felt for what the consequences are to this Nation if we don't.

At the very least there is a Government equity here. And I'm very much concerned that the administration, sometimes through fault of its own, sometimes through no fault of its own, we've stumbled, we've delayed, and we've not gotten this thing done.

And I've recommended in the past that somebody be delegated responsibility, perhaps it's former DCI John Deutch—that's what I've suggested in the past—but somebody who has a working relationship with all the Chairs that I've just mentioned that can come and help assist this legislative process, otherwise we're not going to get the job done.

Acting Director TENET. Senator, I think the administration shares your sense of urgency. I think your idea of a focal point here is something that's also being searched for because we understand the requirement to engage on this and to work with you. So I hope we can achieve that soon.

Vice Chairman KERREY. Well, this is one of those issues where you'll have inter—you've got various committees with the little pieces of the action here and in order to get it done you're going to have to—the President is going to have to grab the leadership and the Chairs and say, OK, here's an outline of a piece of legislation, let's fill in the details.

Acting Director TENET. Yes, sir.

Vice Chairman KERREY. But based upon an understanding that this law has to be changed by October 1 and that much of it is difficult to discuss in the open on the floor. Therefore, we ought to try to make it bipartisan and bicameral and get the job done.

You were part of a process that's done a much better job, I think, of assessing the threats. The new Presidential directive, I believe

you participated and were actually writing that when you were at the NSC. And I note with considerable credit your assessment of threats and the need to prioritize those threats is in your testimony.

But I must say, in my own mind, such as it is, I have an image of the DCI that's different than the job for which you're now before this committee for confirmation, one that has considerably more independence than you will have if you're confirmed. And with great respect, and I've seen you in action show that independence, and as former Senator Boren said, willing to come in and say, here's the bad news, sometimes the bad news can be very uncomfortable for an elected politician.

Let me give you some examples: It may be that your analysis concludes that NATO expansion is not a good idea, that we're not placing a high enough priority on the fissile material that remains in Russia. You may reach the conclusion that an arms sale, beneficial for commercial interests, could pose additional threats to the people of the United States or that some other issue that was important to the President or important to a senior Member of Congress advocated openly and publicly could have an adverse impact upon the security to the people of the United States.

We all remember current Secretary of Defense Cohen when he was a member of this committee asking the Director of Central Intelligence Deutch, is Iraq stronger today than it was a year ago and the answer was yes. That was a very uncomfortable affirmative answer for Mr. Deutch to deliver. And I don't know if what I have in my own mind is faulty. It sometimes is. The idea that the Director of Central Intelligence would have a sufficient amount of independence, though still confirmed by the Senate, though still serving at the pleasure of the President, perhaps for a longer term with a little more political cover, so that you could be independent.

And it seems to me—I would argue that we still have one foot in the cold war as long as the Russians have the potential to rearm their ballistic missiles, as long as they continue to have a significant stockpile of fissile material. It seems like we have got one foot in the cold war and one out. And I would very much appreciate your comments on my own vision of a DCI with statutory independence greater than what you will have if you are confirmed.

Acting Director TENET. Senator, by statutory independence do you mean a fixed term in terms of how long a person serves?

Vice Chairman KERREY. That would be certainly one of the possibilities. I don't know if that's—what it would take to get the job done. I am just saying a sufficient amount of independence so that you know that your analysts, and your people that work for you, could reach a conclusion that might put you at odds, in a public way, with what the President is doing, or as I said, senior Members of the Congress.

Acting Director TENET. Senator, this may sound idealistic to you, but we don't need a statute to do that job today; in fact, we do it all the time. I think there isn't a statutory framework that I can conceive that could make us be independent along the lines that you're suggesting. I think that critical to this process is preserving its integrity and preserving the ability of our analysts to tell it like they see it all the time—and we do all the time. And any attempt

to intervene or pressure us is not something I will ever take very, very kindly.

Now, with regard to—I don't know what the statutory authority would be. I don't know that we'd achieve very much. We are, obviously, at a point, Senator Kerrey, that we have—I'd be the fifth DCI in 7 years; continuity and stability is something I worry about a little bit more. I think continuity and stability gets you independence and a focus in terms of what you do. But I don't have an easy answer for your equation.

Vice Chairman KERREY. Neither do I. But I don't believe that current law gives the DCI the kind of independence that I think is needed in order to be able to come and say, you know, ladies and gentlemen of the Congress, these are the threats to the United States and this is what we need to do to address those threats. People of America, this is what we need to do in order to be able to keep you as safe as you have the right to expect.

Anyway, I do not have a specific proposal, but I don't think current law is adequate.

Speaking of current law, unless the President, as he announced when he signed last year's authorization, he said he was going to intend to change the law, I've not seen any proposal coming from the administration to change the law since the 1997—1996 Reauthorization Act created a Deputy DCI for Community Management and three Senate-confirmable Assistant DCI's, one for collection, one for analysis, and one for production—one for analysis and production, one for administration. That is the law of the land, Mr. Tenet. I presume that you intend, as in all other areas, to follow the law of the land. And judging from your willingness to be independent, I presume that means that you will say to the President, we need to get these names up so that Senator Shelby and Senator Kerrey know that we intend to do as the law requires or that we'll request a change in the law as the President indicated when he signed the authorization last year.

Acting Director TENET. Senator, we want to comply with the law. I am independent enough to say we will comply with the law. I may have some changes in the law in my own mind, if I'm confirmed, that allows us to comply and meet your objectives. And I want to come work with you on it.

Vice Chairman KERREY. Well, I have some changes in the law in my own mind that I'd like as well, but as long as they're in my own mind and not a law, I still obey the current law.

Acting Director TENET. We will obey the law, Senator. If that's the sound bite you want to hear, you got it. [Laughter.]

Chairman SHELBY. Senator Baucus.

Senator BAUCUS. Thank you, Mr. Chairman.

Mr. Tenet, as you know, the inspector general recommended that the CIA take 21 separate actions with respect to the Aldrich Ames matter. In the area of suitability, the IG found that many DO managers "continue to see more disincentives than incentives in tackling suitability problems." And the IG reported that the key issue was the lack of reinforcement for successfully tackling employee suitability problems and clearly identifiable problems for not dealing with such issues.

One of my questions is, Do you believe that an assessment of a subordinate's suitability is a fundamental responsibility of all supervisors?

Acting Director TENET. Of course it is, Senator.

Senator BAUCUS. Would you expand a little bit? What do you mean, of course it is?

Acting Director TENET. Your personal integrity, how you conduct yourself, your professional standards, all of those issues are characters—characteristics that a supervisor should evaluate in terms of how you conduct yourself and whether you are worthy enough to continue to work for our agency.

Senator BAUCUS. And what actions will you take to ensure that supervisors understand and deal effectively with this responsibility?

Acting Director TENET. Senator, I believe that if we're effective in—if I'm an effective leader, then we won't have the inspector general having to do all the inspections and audits that he does. I believe that people at centers of power, however low they may be, will act and impose discipline and ensure people are evaluated properly. And I'm going to ensure that all the standards I talked about in my opening statement of personal integrity and professional performance trickle all the way from the top to the bottom. And Mr. Hitz has done a great job. But it is not his job on a day-to-day basis to be responsible for the men and women of the Central Intelligence Agency.

Senator BAUCUS. Could you give us some examples of some actions you might take, given some hypothetical situation, where you do think there is a problem.

Acting Director TENET. Well, Senator, you know, hypotheticals are somewhat difficult for me to—what I won't tolerate is I won't tolerate people lying up the chain of command. I won't tolerate people abusing—

Senator BAUCUS. And if somebody's lying, what will you do about it?

Acting Director TENET. Well, Senator, there's no room for anybody that lies in the Central Intelligence Agency.

Senator BAUCUS. What does that mean?

Acting Director TENET. Well, that means they can't work there anymore.

Senator BAUCUS. Does that mean they're out?

Acting Director TENET. That means they're out. Lying is not something that I will ever tolerate.

Now, someone in the field attempts to do something that's difficult and the tradecraft is exceedingly good and we took risk and we failed, I'm not going to punish somebody for taking a risk when it's executed properly and done well. What my concern is, is that people know that in those instances, there's no punishment that follows if we exercise our professional responsibility and do our job and it doesn't turn out the right way, then maybe that person should be rewarded for the time and patience it took, even if the operation fails.

So the signals have to be consistent. There will be patience for professionalism and patience for high standards of conduct, and no

patience when those standards are violated. And that's how I'll live by.

Senator BAUCUS. Now, does that mean that the signals will be different under your tenure than what they've been?

Acting Director TENET. I believe the signals will be entirely consistent with what they've been. I believe we all understand each other, and I don't think anything new is needed here. I think we just progress from where we've been.

Senator BAUCUS. What sounds like what might be new, though, is something you just said. This committee has recommended, as you well know, an up or out policy similar to that of the Foreign Service in order to eliminate substandard performers. But in the past, the CIA has resisted an up or out policy. Do you support, are you in favor of it? What do you think about an up or out policy?

Acting Director TENET. No. In fact, we've talked about it, Senator. Up or out is an important thing. I don't—you know, over half of the money I have is devoted to people. I don't have enough money to devote to innovation and technology and all the things I want to do. I'm going to be smaller and I want to be better, and up or out is reasonable. If we don't have someone early in their career who we think is going to gravitate onward and upward in a way that we think will reflect the investment we make in them, we have to think about ways to move people on the off-ramp and out of the building.

Now, where it gets complicated in our work, and it's not as simple as it is in other agencies is, is when you move people on the off-ramp who have had access to extraordinarily sensitive information, you have to think of the counterintelligence implications and how we manage that. But that doesn't mean we can't do it, and we should do it because we simply don't have the money we once had to keep all of the people we once had. And indeed, the statutory requirement to reduce by the end of the next fiscal year puts us on that path. But it is an effective management tool that we should consider.

Senator BAUCUS. Well, that raises more questions than it answers itself. I don't mean to give you a hard time or put you on the spot here, but it does sound like an up or out policy that you will pursue is a different policy than has been pursued historically at the agency. That sounds like a change in policy.

Acting Director TENET. Well, it may be a change, but I must tell you that we've been looking at it for the last year and a half very consciously as well because we believe we have to—we have to deal with nonperformers and performers, and we can't treat them equally. And it's something that's been looked at. But I think it's an idea that will come to pass during my tenure.

Senator BAUCUS. So you favor up or out?

Acting Director TENET. Yes, I do.

Senator BAUCUS. Well, that's good to hear. And that is, I think, a change in policy. I do think that's going to help.

You did mention another point, though, which gave me a little concern. You said that some substandard performers might not be released because of sensitive information they may have. Some would call that blackmail. Some would say that if a person can get himself in a very sensitive position, he's protected.

Acting Director TENET. Senator, I'm not implying protection. You may recall the case of Mr. Howard a number of years back, who I don't think—and as this Committee looked at the Howard case years ago, may not have been handled in a way—Mr. Howard ended up in Moscow and left the country and gave the Russians a great deal of information. And he was a difficult case and a difficult psychological profile, with things that were worrisome.

All I'm suggesting to you is it doesn't inhibit up or out, but it does suggest that it is a more delicate calculation as to how you handle a troubled employee who has the ability to do great risk to the country. So the equation is not as simple. That's all I'm suggesting to you.

Senator BAUCUS. Why isn't the better answer to address these kinds of problems more up front than at the end? That is a much better policy: watching recruitment and, in short, its oversight, and to make sure that the people you have are people who, if they have to be let go for whatever reason, are much less likely to be a security risk.

Acting Director TENET. Well, Senator, there's no disagreement on that point with me. I mean, we spend a lot of time in evaluating the people that come through the front door. There's an enormous amount of scrutiny that they go under that few other employees go under. We don't—we're not perfect and don't get it right every time. But the quality of recruitment and the quality of the people we bring into this service is absolutely the highest priority that I will undertake while I'm Director, if I'm confirmed.

Senator BAUCUS. But are you going to change policy, too, in the sense that you're going to spend more time taking whatever action is necessary to minimize the possibility that a substandard performer feels that he or she is protected because of the sensitive information that he or she has?

Acting Director TENET. Well, Senator, yes, I will. And I illustrate the difficulties in this not because they're all the same, but the concept you raise is one that we will look at.

Senator BAUCUS. Turning now to station chiefs, which is a very sensitive, important position. Do you have a training program to prepare station chiefs to deal with all the forces and pressures that—

Acting Director TENET. Yes, we normally put our station chiefs through a program before they go out to be chiefs of station. It's quite elaborate and it gives them the sense of management ethics, the pressures they will face, the management decisions they have to make. Yes, we do.

Senator BAUCUS. Do you think that program's worked?

Acting Director TENET. I believe it has worked, Senator, yes.

Senator BAUCUS. In spite of all the articles in the press to the contrary?

Acting Director TENET. Well, Senator, I believe we've got a large number of station chiefs, and the overwhelming number of them have performed extremely well around the world. There are cases where performance hasn't been the best, and when it isn't we move in and make decisions to move people out of their positions.

Senator BAUCUS. Is there a specific career path leading to the assignment of chief of station?

Acting Director TENET. Well, it's the career path that most clandestine operators, category B operators aspire to at some point. But Senator, let me say this about that: not everybody should be a chief of station. And one of the things I talked about in my opening statement was the development of real expertise. So if we have operations officers who never want to be a manager and never want to be in the position of that responsibility, they can be promoted all the way up the chain for being the best operator, with the best clandestine tradecraft, against a particular target.

Senator BAUCUS. And any thought you have on reconciling the differences between Ambassadors and station chiefs? Those problems, as you know—

Acting Director TENET. Senator, the Ambassador is the President's representative in a foreign country. A station chief has an obligation—when he or she goes out, there is a letter that I sign, or the previous Director signed, that made it clear what the chain of command is.

I expect that, when there is a problem between a chief of station and an ambassador, that I become directly involved with the Secretary of State in resolving it, as fast as we possibly can. If we don't, what usually happen is American interests suffer in a very serious way.

Senator BAUCUS. Should an ambassador be assured that a chief of station is supporting him or her completely?

Acting Director TENET. Absolutely. That's part of his job.

Senator BAUCUS. Thank you, Mr. Chairman.

Chairman SHELBY. Senator Robb.

Senator BAUCUS. I wish you luck.

Acting Director TENET. Thank you, Senator.

Senator ROBB. Thank you, Mr. Chairman.

First of all, Mr. Tenet, let me say that, as you gave your statement, I followed your written statement, and it is about as clear and concise and straightforward a statement as I have heard from any nominee. You have thrown down the gauntlet in terms of what we can expect from you and from the community. In a way that I think is admirable, you, to use a phrase you used in your statement, you pull no punches, and you established a very high threshold of accountability, which ought to reassure anyone who has any concerns about your stewardship of when, and as I most firmly believe, you will be confirmed, and very shortly.

Let me ask you just a couple of brief questions if I may. One has to do with your current or immediate past role—I'm not sure whether Acting or Deputy DCI is currently your official title at the moment but you had indicated in a conversation with me and I know that you're certainly aware of the fact that the sense of the Senate Resolution I think it was 93 suggested either the DCI or the deputy DCI be a commissioned military officer. Would you just state for the record your intentions with respect to filling that position if and when confirmed and if you're prepared to give us a name, now would be an appropriate place to insert it.

Acting Director TENET. Well, one for two's not bad, Senator.

It would be my intention—it would be my intention to select a military officer to be the Deputy Director and seek the President—

ask the President to nominate him and while I do have a name in mind, I will not divulge it at this moment.

Senator ROBB. Without attempting to—

Acting Director TENET. Or a couple of names in mind. Excuse me, Mr. Chairman. I have a few names in mind.

Senator ROBB. You have a name and the chairman has a name and that will be resolved at a future date. Is that the way I can interpret it. That would be an exchange?

Acting Director TENET. That would be OK.

Senator ROBB. In any event, I think the fact that you have a name in mind, having observed a recent election across the Atlantic and how quickly people were in place in a new administration and a new government, I believe that would be helpful from a lot of different angles, certainly.

A quickie question with respect to the coordination between the CIA and the DIA and specifically the exchange of intelligence data that was useful. Certainly the Kamisiyah incident highlighted an area where we had very serious potential ramifications. I guess all of the ultimate cause and effect relationship has still not been established but the lack of access to or timely dissemination of information created difficulties in there. Certainly having a member of the uniformed service, commissioned officer will work toward that benefit.

Would you comment generally on how you would expect to operate with the DIA, and particularly with respect to the overlap between HUMINT that might be developed by either the CIA or the DIA?

Acting Director TENET. Senator, I think Pat Hughes would say that the relationship is a very strong one today. That from the perspective of our analysts, we try to ensure that there's the right degree of sharing of information because it's critical to the analytical product. There is some tension, there are times when we try and protect information and don't move it as quickly as we may need to. But it's always something that we attempt to work out, something we pay a lot of attention to and Pat Hughes and I pay a lot of attention to.

The integration with DIA on the analytical side in terms of making choices about what they will do and what we will do and trying to eliminate redundancy in some areas has worked enormously well. There are still some areas where we want an overlap and ensure that there's a civilian look at some problems that are important to us. But I think this is a strong relationship and the exchange of information is healthy and quite well.

Senator ROBB. Well, every evidence between the working relationship that you've already established certainly would lead to that conclusion or that you are moving in that direction. I applaud you for it.

Let me ask you one question. And I apologize for not having raised this with you individually because it's a sensitive area, not in terms of whether or not you—whether we discuss it, but as a policy question and I have raised it with one previous nominee and I think he was prepared to address it in an open session. That has to do with certain professions what we could exclude from any di-

rect employment as nonofficial cover or any other capacity by the CIA.

I'm thinking specifically of reporters for news-gathering operations or those in religious institutions. Those are the two, although there are others, certainly, that would like to be publicly excluded. We've gone back and forth on this. We've had a couple of hearings. There have been a number of witnesses who have testified. My own position is, I think, pretty well known. I would prefer to have a very clear statement that we would not use those types of individuals in that capacity. But again, with apologies for not having suggested to you that I was going to raise that one, I would like to ask you to clarify it if you are prepared to do so in public.

Acting Director TENET. Senator, I think my position will be the position that John Deutch took. I can't imagine a circumstance that we would ever use a journalist or a clergyman. It's not my intention to. None have arisen. We would certainly never seek to do that. There may be a contingency I never have thought of that may require it, so I'll preserve the right. But it is not something that we want to do.

Senator ROBB. I certainly share your intent, and I appreciate the way that you communicate your intent. I would hope that at some point it might be possible to make an unambiguous statement with regard to that particular element, but I will not press you further at this particular point.

Mr. Chairman, I thank you.

Chairman SHELBY. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

And Mr. Tenet, I think the best part of your opening statement was about your father, mother, and Stephanie. I appreciate that very much.

Some of the questions I might ask you would sound familiar because I've asked them before, not to you but to others. I think we all agree on the necessity of total objectivity, total independence from either a personal or political philosophy or pressures that could be applied by any number of people, whether they be in Congress or the White House or others.

And one of the criticisms of another nominee that was brought through there was that that nominee had had many active formal roles in various political ideologies and campaigns. So the first thing I would like to ask is if you in your background have had any strong political activities dating back to a number of campaigns, whether they be Presidential campaigns or others.

Acting Director TENET. No, sir.

Senator INHOFE. I think that's important. I've often thought that it would be very difficult for a person, such as myself, who has been opinionated for some time to be totally objective. And this objectivity would mean, as you have stated, you'd have to deliver bad news as well as good news. It would require delivering the truth to this committee, to the Senate Armed Services Committee or any other committee, in spite of the fact that it might totally contradict something that has been said by the administration or by the President of the United States. Would you be willing to do that?

Acting Director TENET. Yes, sir.

Senator INHOFE. Do you remember during the last go around we devoted several hours to the potential ballistic missile threat that we face here in the United States. In particular, we addressed the National Intelligence Estimate that was given back in 1995. This estimate was changed from a previous unofficial estimate that implied that the danger is more imminent in terms of potential ballistic missiles and nuclear warheads and other weapons of mass destruction. This one specifically said that it looks like there is no real threat to this country until the year 2010. This was issued in 1995, so it would have been 15 years.

What is your reaction to that and to the accuracy of that estimate?

Acting Director TENET. Well, Senator, you know this committee has spent a lot of time on this issue. We—John Deutch asked former Director Gates to assess the estimate. He's made a large number of very positive contributions which I would adhere to.

The analysts who did this work, as you know, excluded China and Russia from the estimate. They did the best job they thought they could. There was no evidence, I believe, that anybody attempted to politicize this estimate. In hindsight in looking at it, there were a number of things we could have done better with it. We could have made clearer how it was different from a previous estimate, we could have developed alternative scenarios whereby rogue states might acquire these weapons better.

Senator INHOFE. Yes.

Acting Director TENET. You know all of these things.

Senator INHOFE. And I want you to go on on that, but getting back—I see Senator Levin is here—the very controversial letter, the Bumpers-Levin letter that was disclosed from sources that right during the time that we were debating the—I think it was the National Defense Authorization Act for 1996, is that—the release of that letter and the reaffirmation of the previous position sound to you that it could have been political?

Acting Director TENET. Senator, I think what we learned—I think what we learned—let me answer your question this way. What I would learn from that entire experience is to try to the best we can—and there were pressures on both sides of this debate to get us to hurry up and finish the National Intelligence Estimate. I guess what I've learned from it is just to attempt to stay out of those public debates, try and hold on to a product so that it doesn't appear to have been politically motivated. I don't think there was any political motivation in this case. Timing is everything, and we have to be very careful about when we throw our products out the door so that people don't try and take advantage of them.

The reality is both sides were pressing for this estimate to come out. Some were happy, some weren't happy. It's not our job to try and make anybody happy, it's to be as honest and forthright as we can be about how we see things.

Senator INHOFE. Do you think in the future that if an employee, one of your many employees, were to—would they be instructed not to release things without going through your office or without your knowledge, so that you would be aware of the timing that could be looked upon as being a political timing?

Acting Director TENET. Oh, I think, Senator, one of the things that Bob Gates said is, is that we probably should have been far more attuned to the political sensitivity of this issue and paid more attention to it, and I think he's right.

And naturally—the problem you have in this business is it's never going to be an opportune time for anybody. There's always—you put out a piece of paper and something is about to happen, and usually people like to see these things before they make decisions. So it's never opportune. But there are issues like this, Senator, where I think my responsibility is to exercise the judgment that's required to ensure that we are not perceived in any way as being political.

Senator INHOFE. Well, when the NIE came out, the National Intelligence Estimate came out that changed the timing of the assumed threat in a material way, you mentioned that China and Russia were not to be a part of this. However, the fact that both China and Russia have had sales of both systems and technologies to countries like Iran and other countries, I don't believe that that would have been excluded—should have been or would have been—from the NIE.

Acting Director TENET. Senator, clearly, now—we now have estimates in the works to assess both Russia and China separately on their strategic forces. Clearly, the proliferation of ballistic missile technology in theaters is an enormously important threat to understand. And the proliferation activities of those countries is enormously important in this context, particularly where the Iranians and other rogue states may be involved.

Senator INHOFE. Were you involved in the NIE?

Acting Director TENET. I wasn't, Senator. I was scheduled to be—I was scheduled to conclude the coordination session, but I think I was on overseas travel or wasn't available for the coordination.

Senator INHOFE. Do you think that the estimate undermined the message of the earlier estimate?

Acting Director TENET. I don't believe so, Senator. I have looked at all of the paper and all of the testimony here: I don't think it did.

Senator INHOFE. The President vetoed the 1996 Defense authorization bill. And in his veto message, he talked about this threat. In the position that you held at that time, did you advise him, either one way or another, concerning this particular issue?

Acting Director TENET. No sir; and we wouldn't. That would not be our job.

Senator INHOFE. In the future, you would not want to advise any—

Acting Director TENET. No, I would not want to be in that position, at all. It's not my job.

Senator INHOFE. I am sure you would not.

We have talked previously—and we had a long discussion in my office—and I appreciate the opportunity to go into a lot of things with you privately. I think that's an important part of this process. And I know that the time you afforded me, you also gave others, too. So you have gone through quite a lengthy process so far, and I appreciate it very much.

You remember I have been quite critical of the statements made by numerous administration individuals—and this is nearly a direct quote: For the first time in contemporary history, there are no Russian missiles aimed at United States children.

I think there are two things here that we have to look at. One is verification. And you recall the statement that was made by Chairman of the Joint Chiefs of Staff Gen. John Shalikashvili, where he said that there is no way of verifying a statement like that. And would you agree with that?

Acting Director TENET. That's correct, Senator.

Senator INHOFE. And would you agree that, if we had some miraculous way of knowing that that was a fact, and that at a given time, say, at the beginning of this hearing, there were no Russian missiles aimed at the United States, isn't it entirely possible that given the very short amount of time required to retarget that those missiles could in fact be pointed at the United States now?

Acting Director TENET. Senator, we know that the Russians could quickly retarget these missiles. We'd make those judgments on the basis of what the world situation was at the time. But the answer is, yes, they could have, within the last 3 to 5 minutes.

Senator INHOFE. Yes. Well, then you would agree with the number of people, including Igor Sergeyev, who has been quoted quite extensively around this table, as to his saying that it could be done in just a matter of minutes, the retargeting process?

Acting Director TENET. That would be our judgment, Senator, yes.

Senator INHOFE. Yes, that's my judgment, too. I think Bruce Blair said that it could—that it was even overstated and that it could be done in a matter of seconds, instead of a matter of minutes. And I think it's important to get it into the record at this time that you understand and you believe this. And I would have to follow this up by the question that, if the fact that a missile is not aimed at the United States today is something that, No. 1, is not verified and, No. 2, could be retargeted, do you think it's responsible to make the statement, and make the American people believe, that for the first time in contemporary history, there is not one—repeat, not one—Russian missile aimed at the United States?

Acting Director TENET. Senator, I really would not want to opine as to what I—I didn't make the statement. I didn't write the statement. The Russians told us they had done this. There is a spirit of whatever trust and confidence in the relationship.

Senator INHOFE. I understand.

Acting Director TENET. I am not going to go down the road of second-guessing why people made statements like that.

Senator INHOFE. Not too long ago, when the Chinese were doing their thing off the Taiwan Straits, there were a lot of us who were very concerned about a statement that a high Chinese official made when they were saying: well, what is the United States going to do about your attempt to intimidate an election in Taiwan through the use of these missiles? And the statement was made that we're not concerned about the United States because they would rather defend Los Angeles than Taipei, words to that effect. And you remember when that statement was allegedly made, and I guess later on confirmed. Is that—to you is that a form of threat?

Acting Director TENET. Maybe reflect a form of lack of understanding about what we're about in Asia and the Pacific, Senator. I don't take it as a threat—

Senator INHOFE. OK, my red light is on, and I think I know what your answer is on that.

Let me wind up this line of questioning. If we have—well, first of all, do you agree with the statement that was made by Jim Woolsey, James Woolsey, when he said that there currently are some 25 or more countries that either have or are in the final stages of completing weapons of mass destruction, either biological, chemical, or nuclear?

Acting Director TENET. It's between 23 and 25, but we're in the same ballpark.

Senator INHOFE. Yes, sir. And you do, of course, understand and it's unclassified that both Russia and China have missiles that can reach the United States?

Acting Director TENET. Well, of course; yes, sir.

Senator INHOFE. And that Russia and China have both sold technologies and systems to countries like Iran.

Acting Director TENET. Yes, sir.

Senator INHOFE. And when you put all this together, can you think of any logical reason why it's totally unlikely that, given the financial straits that Russia is suffering from right now, it's out of the question that they would put all this together and sell the thing that they want the most, and that is a delivery system that would reach the United States?

Acting Director TENET. Senator, it's—you know, the likelihood we attach to that is not very, very high. I mean, there are other things that they would do on the road to that kind of a sale. I mean, I think the more immediate concern to us is the sale of shorter range ballistic missile technology. Selling a full up system, having a third country being able to integrate it, target it, fire it, maintain it are all enormously difficult propositions. It doesn't mean it couldn't be done. We just assess the likelihood at this moment in time as being quite low.

Senator INHOFE. I understand. Thank you very much.

Chairman SHELBY. Senator Bryan.

Senator BRYAN. Thank you very much, Mr. Chairman. Mr. Tenet, I want to followup on the line of questioning that Senator Baucus began, and that is the aftermath of the Ames treachery, the series of recommendations made by the IG. And my question is where are we? Have we fully implemented all of those recommendations, and are you satisfied that all of the necessary safeguards are in place so that that type of espionage is unlikely to occur again?

Acting Director TENET. Senator, as someone who could be the Director of Central Intelligence, I would never tell you that it's unlikely to happen again. I believe that subsequent to Ames, there have been a series of serious counterintelligence improvements that I think have, if you witnessed the difference between how the Ames case was handled and how the Nicholson case was handled between the CIA and the FBI, there have been enormous strides made, not only between agencies but in terms of our counterintelligence vigilance, how we lash up a polygraph program with our Office of Personnel Security, our look at finances.

The inspector general, as you know, sends a report to this committee every year that makes judgments about how those improvements are going. I think we're well down the road of getting much, much better here, but the nature of our business is I could never tell you we were risk free on the espionage front.

Senator BRYAN. But to the best of your ability, information and knowledge, I mean, those procedures that are in place, you're satisfied that they—

Acting Director TENET. Yes, I am satisfied, Senator. I think one of the things I want to do is just take a more careful look at our whole security function to see whether it's centralized enough and provides the proper guidance across a range of issues, not just personnel security. But I think we are—I think we are in a very good place, and something—this is an issue that I will devote an enormous amount of personal attention to.

Senator BRYAN. And if you believe that there are some additional safeguards that need to be implemented, you would be forthcoming and share those with the committee so that we would be aware of those?

Acting Director TENET. Yes, sir; I'm sure some of them may have budgetary implications, but even if they didn't, you should know about what we're going to do in this regard.

Senator BRYAN. You anticipated my next question, and that is the relationship between the CIA and the FBI, one of the problems in the Ames case. That relationship appears to have been greatly improved with a dialog and a framework for cooperation. Are you satisfied that all of the pieces are in place in terms of that exchange of information?

Acting Director TENET. Senator, the single most important reform that occurred is naming a senior FBI agent to be the chief of CIA's counterespionage group. The existence of this individual has allowed the facilitation to occur not just from a statutory perspective intended by this committee, but in terms of the real world work that happens every day. This is a good relationship and getting better all the time across the board of targets. Naturally, where one of our employees is involved, it's been enormously good. And the Director of the FBI and I are consulting about what we do about other targets.

Senator BRYAN. Well, I'm comforted to hear it's better, but you're telling us that the framework as well as the dialog is there, and you think in terms of establishing any procedures, that you have achieved a satisfactory relationship with the FBI in terms of the exchange of information that could develop some counterintelligence activity within the agency?

Acting Director TENET. Yes, sir. With regard to the agency and its employees, I'm highly confident of that relationship.

Senator BRYAN. OK. Let me ask about the NRO, an area that I've had some concern about. Share with us your view in terms of its management accountability, especially on the issue of finances, budget, and the forward funding issue, which has been somewhat of a problem for us.

Acting Director TENET. Well, Senator, as you know, with regard to the forward funding problem, by next year we will have gotten the forward funding down to a month, as you've requested. I be-

lieve that we have come a long way in implementing very sound management practices, right kinds of reviews are occurring, the kind of transparency into programs that needed—that is needed is occurring. I would say to you the following, though: we are, as you know, through our budget hearings, about to embark on a rather aggressive acquisition program in a number of technologies that will require even more vigilance and even more interaction with you. There's risk, there's technology we've never utilized before, and we have to be careful about this because it is not like any—it's not like just buying a car off the lot. Some of these will be first-time acquisitions—smaller satellites, better payloads. So I think we have to continue our vigilance here to insure that what we say we deliver we will deliver on time and on cost.

Senator BRYAN. Mr. Tenet, as you know, my criticism of the NRO was not its work product in terms of the technology and its ability to implement that technology, it was that these enormous sums of money—billions and billions of dollars—began to accumulate in a way in which I thought was highly suspect and did not lend itself to the kind of financial accountability that I think this committee in its oversight responsibility should exercise. You've indicated we've got that down to a month—that's what we requested. I would just urge you to continue to carefully monitor that, recognizing that we may have some substantial additional procurements that this committee will recommend and that the Congress will approve, but we do need to keep an eye in terms of their financial accountability.

Acting Director TENET. Yes, sir.

Senator BRYAN. Let me talk just briefly about this gulf war syndrome, the Kamisiyah situation. I've had a chance to read the report. I don't subscribe to those who believe that there's a conspiracy of silence. I don't find any evidence to support that. The facts as they have been developed as a result of this report that you have had prepared, are particularly troublesome in two respects.

No. 1, as our chairman has recounted the chronology, we did know that prior to the commencement of Operation Desert Storm, there was a strong likelihood that chemical weapons existed in this area, that we did provide that information by way of coordinates, that we had different databases that describe this ammunition depot differently, so that it would appear, based upon what General Schwarzkopf and others have told us, that they were not aware of this chemical weapon storage and the risk to those troops who were assigned to destroy the depot. That is No. 1.

No. 2 gets back to the credibility gap that Senator Mikulski first addressed in her opening presentation in presenting you, it's very, very difficult to explain to some of those who have given freely to this country in terms of our national defense, who have enlisted or been drafted in the military services at a previous time, as to why it would take 6 years after Operation Desert Storm was successfully completed for us to get this information out.

I've read this. I think I understand what you're saying. Any more surprises, Mr. Tenet, coming out of this? Any additional information that you think is likely to occur in terms of other information that may be there that we're going to find out 6 months, a year from now.

Acting Director TENET. Well, Senator, I can't tell you that we won't find more information. I won't sit here and tell you there won't be more that comes out. There'll be more information that we learn from the Department of Defense; there'll be more information that we learn from people we interview. This may stimulate us to look in other places. All I can tell you is I have full faith and trust in the people doing the work and the size of the effort in their and my direction to get this information out, so that people will come forward and talk to us about what happened and we meet our responsibility to these men and women.

Now, with regard to warning, Senator, this is a picture that's a little bit mixed. I think warning was provided. Now, in the fog of war, one of the things we now have to do—

Senator BYRAN. You're talking about the coordinates, the coordinates were—

Acting Director TENET. Yes, well—and we know that—and we know that on 28 February, CENTCOM asked Army Central Command to go check as to whether there were chemicals at Kamisiyah. So the information provided prompted some action. Now, in the fog of war we have to go look at what it all meant to people at the time. They're inundated with information. But there are pieces of this—I think the record is mixed. There are pieces that aren't as good as other pieces. We identified Kamisiyah as a release site in 1995. We should have gotten it done in 1991. And all the issues you raise are ones that are serious. All I can tell you is, is that we're committed and the people that have been working on this issue are committed to getting to the bottom of it as fast as we can.

Senator BRYAN. What steps can be taken—I recognize that you're in information overload. You've got a tremendous amount of data coming in from different sources, and that's got to be a tremendous amount of information. I understand that. I guess, you know, speaking as the layman, what I think shocks me is that we've had this concern after the war, and particularly with this gulf war syndrome. We've not been able to identify it medically. I think most people recognize that there's something that exists there. The VA is providing treatment. We agree with that.

But, I mean, it strikes me that someone in that Agency—you have very intelligent people. I've had a chance to meet them on trips that I've taken abroad. I can't imagine where somebody wouldn't have said, you know, we haven't told them about this information that we had reported earlier, after a period of 6 years. I mean—and maybe that information was not reviewed at the top level, and I understand that not every transmission does. But somebody would say, hey, don't you think we ought to tell them about what occurred.

Acting Director TENET. Senator, I think—and not to make an excuse because I don't like to make excuses—before the war, everybody concentrated on the chemical weapons.

Senator BRYAN. I understand.

Acting Director TENET. After the war we concentrated on supporting the destruction of all those weapons. Nobody got sick in 1991.

Senator BRYAN. Yes.

Acting Director TENET. And on and on and on.

Now, the point is that it should have been done sooner, and you're absolutely right about it. And we're committed to doing all we can to get it all out.

Senator BRYAN. My time is up.

I can understand 1991, maybe into 1992. But, I mean, there was a national cacophony of sound, you know, that these veterans were coming down with something. You know, nobody was able to medically identify it. But, I mean, it just strikes me that that was not something that was below the line, that was kind of on everybody's radar screen in the country. Anybody who has a room temperature IQ knew that there was concern about what was happening to our veterans as a result of their serving a year or two, three, four, five. It just seems to me that somebody ought to have said, you know, maybe this doesn't have anything to do with it, but we probably should let people know that there were chemical weapons that were in there, and I think that's a frustration that I vent that is frequently shared by the constituents that I represent.

I thank you, Mr. Chairman.

Chairman SHELBY. Senator Kyl.

Senator KYL. Thank you, Mr. Chairman, Mr. Tenet.

First of all, in followup to a question that Senator Inhofe asked, I believe that in our private conversations you expressed your intention to conduct an annual NIE of ballistic missile threats to the United States covering all aspects of the problem. Is that correct?

Acting Director TENET. Senator, I think we—it's either an NIE or some other product that we generate annually that provides you changes or give you an update. And I am committed to doing that because the issue's that important.

Senator KYL. Presumably hopefully there'll be a baseline, and then each year primarily a document that stresses any changes—

Acting Director TENET. Yes, sir.

Senator KYL [continuing]. That have occurred since the baseline.

Acting Director TENET. Yes, sir.

Senator KYL. In your statement there's a dichotomy here that I don't think you intended. Just to clarify it, you said to the President and all others who rely on our Nation's intelligence capabilities, I will deliver intelligence that is clear, objective, and does not pull punches.

Acting Director TENET. Right.

Senator KYL. To the Congress, you can expect forthright and candid views about our mission and so on. Congress is included in those who rely upon our Nation's intelligence capabilities, right?

Acting Director TENET. Absolutely, Senator.

Senator KYL. Right.

You said in your statement, and I found much on page 2 of your—of the written version right on target. You said we've got to keep a relentless watch on all aspects of nuclear weaponry. You said we cannot afford complacency about the unfinished transformations underway in countries like China and Russia as long as there is any question about their future direction or even the slightest remaining doubt about the ultimate fate of the nuclear weapons they control.

In light of that, I am troubled by, and I indicated in my opening statement that I'd like your clarification of, the two statements that you also make, which are that we should close the door on the cold war, whatever that means, and second that, I would turn our gaze from the past. It is dangerous, frankly, to keep looking over our shoulders. Who's looking over our shoulders, and what do you mean by that?

Acting Director TENET. Senator, in thinking about it, let me take the—the past is what I'm trying to do is try to focus on the things we have to do in the future rather than what happened in 1982.

Now in a democracy, we have a responsibility to be responsible for events in places where we did not act in the best possible way. I'm trying to focus the debate on the real capability and talent that our people have in addressing the future. Sometimes we don't—we never talk about the future because we end up talking about the past all the time. That was really what I was trying to do, is move us toward the future.

With regard to the cold war, the fact is that this is an intelligence community that made most of its major technological investments focused on one target, and so the flexibility and resiliency you need to cover the cacophony of targets and their diversity in the future requires a little bit of different thinking and a different mindset because there isn't just one target. In fact, that target is different. For different reasons, we have different interests in other targets, and that—it's that kind of a shift from a singular target to the tougher environment that we face that I was thinking about.

Senator KYL. Is there anything else that you meant to express by the two things that I read to you?

Acting Director TENET. Ah, if there was, it doesn't come to me at this moment. This is—

Senator KYL. Okay. Because clearly you don't mean not focusing on intelligence gathering with respect to Russia and China—

Acting Director TENET. No, no—

Senator KYL [continuing]. You reiterate that support.

Acting Director TENET. And one of the things, Senator—and let me just say for the record, one of the things I've done in my hard target reviews is that I requested that we go back and look at the Russian target because my concern was that we have shifted too many resources away from it.

Senator KYL. What I hope this is not is a code expression of the view that those cold warriors who won the cold war are passé, we have a new group of folks that are going to do things differently.

Acting Director TENET. Senator, I have a great deal of respect for the people who served in whatever time period they served. That was not what I intended.

Senator KYL. So the primary point you made here is that in addition to the techniques that need to continue to keep an eye on the Russian nuclear force, for example—

Acting Director TENET. Yes.

Senator KYL [continuing]. There are a lot of new targets out there that require new techniques.

Acting Director TENET. That's right, sir.

Senator KYL. OK.

Another comment you made I think could use a little clarification, and I think really you were speaking metaphorically here—at least I hope so—when you said, “Leadership means never allowing the cloak of secrecy to stand in the way of an open and honest dialog,” to continue the quote, “with the American people, with experts outside the intelligence community who can help us interpret this complex new world.”

Frequently—I mean the reason we’re going to have a closed session tomorrow is that sometimes the cloak of secrecy does need to stand in the way of an open dialog.

Acting Director TENET. Yes, Of course, it does, Senator, but let me give you an example. This gulf war syndrome. Here’s an example where there is no reason for us to stand behind sources and methods when Americans were placed at risk. Who are we hiding it from?

Senator KYL. There would have been a better way to say it, though—instead of saying, it means “never allowing the cloak of secrecy” to “as much as possible not having the cloak of secrecy,” would that have been more accurate?

Acting Director TENET. Well, Senator, we’re going to shoot the speech writer when this is over with. [Laughter.]

Senator KYL. All right, good—because you could have done better.

I’m looking, frankly, at these words because they convey meanings. People who understand this business read between the lines, and what I said in my opening statement is important. Some people feel that they have not been properly appreciated because it is virtually impossible to tell their story. I mean, you will try to do so because you recognize their talents, but people won’t be listening when you are complimenting them or giving one of them an award. It’s when the newspaper reports the story of a snafu that attention will be focused on them.

And what I don’t want to see is any codeword observations that suggest that the job that was done in the past by dedicated men and women was somehow—is not deserving of our praise, that we’re throwing anybody over for a new era, or anything of that sort. And I gather you’re not attempting to convey that in any way.

Acting Director TENET. Senator, I’m not. And more importantly, there are many people who have served in the past that I think we have to consult and bring in and help us with our recruitment efforts to go out and get the best talent in this country and tell them what working for this organization was all about. And I would never, ever degrade their honorable work.

Senator KYL. Just a couple of specific things.

One of the directions that I hope we’re going on, and it follows the direction that you just articulated a second ago, is the use of the smaller, cheaper satellites. My concern is that this is not going to be done aggressively enough in the near term. And I’m wondering whether you need some new technical people at the NRO who are from the outside, who are committed to a very aggressive streamlining and downsizing, and whether you’re looking to the outside to fill the Deputy Director slot.

Acting Director TENET. Senator, let me just say—let me address the first point. The small satellite is an integral feature of any of

the number of architectures we've looked at. I'm convinced it will happen aggressively. There's a concern that's been raised by a number of members that perhaps we're not going to a particular small satellite soon enough. All I will say is that when we're going to make such a significant capital investment, we need to understand how the architecture all hangs together. But there is no doubt that we have made a decision to get off the Titan. We're going smaller, and there's no turning back from that decision, Senator.

Now, with regard to the Deputy Director position, I'll—I haven't thought about that yet, but if confirmed, I obviously am looking for a strong person in that job and will consider people from all walks of life.

Senator KYL. Consider somebody from the outside.

My question, though, is now whether you would turn back from the decision but whether we will aggressively initiate the decision.

Acting Director TENET. I believe we will.

Senator KYL. With regard to—I mean, it's a follow-on to this. The spacecraft, obviously, that we're going to need in this new environment for the most part should be much smaller, and much cheaper as a result. We're no longer going to need the Titan IV or the EELV except for certain NRO functions.

And I guess there are two questions. First of all, is the intelligence community, do you know, have you thought about this, really prepared to aggressively fund Titan IV infrastructure after 2002, and prepared to fund the EELV infrastructure to support the heavy-lift configuration, since, as I understand it, NRO will be the only program that requires that capability?

Acting Director TENET. Senator, let me come back to you on that for the record, please.

Senator KYL. All right. I appreciate that.

One of the things that news accounts criticized the committee for during the Lake hearings was not delving into your philosophy—or his philosophy, I should say, at the time. Let me say that the reason I haven't gotten into a lot of that is that you've expressed that in your written statement, as did Mr. Lake. You've described it to us over the months that we have worked with you. Speaking generally is always easier than getting down to the specifics in any event, and I have found it more productive to get into more specific things such as these.

We'll have some things to go into in closed session that relate to a couple of specific items. But I appreciate your testimony here. I think you've raised key points in your written statement, perhaps clarifying one set of them. We can move forward together on this, and I look forward to visiting with you further about some matters in the closed session.

Thank you.

Chairman SHELBY. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

Let me add my congratulations, Mr. Tenet, to you for your appointment. You're very well qualified by your character, by integrity, by a lot of experience, to be our DCI, and I look forward to having you in that position.

First I want to ask you some questions on the chemical weapons issue in Iraq, which you've been asked about a number of times this morning, but I want to zero in on the part that troubles me the most, as it troubles Senator Bryan as well. In 1993 there were hearings before a number of committees, and at those hearings, there were administration witnesses who testified who seemingly knew nothing at that time relative to the exposure of United States military personnel to chemical agents in Iraq during the Persian Gulf war.

We now know that a few years earlier, people at the CIA had notified the Army that there were coordinates or there were suspicions that there might be chemicals at Kamisiyah and perhaps other places. My question is this: Have those people who transmitted that information to the military been asked why is it that 2 years later, on a subject as visible as this, it didn't strike you that that subject was the same subject that you were transmitting information on 2 years before?

More specifically, have the CIA employees who transmitted the information to the military in 1991 or before been asked why you didn't come forward in 1993 when the issue surfaced?

Acting Director TENET. Senator, I could only assume they have, but I'd have to come back specifically and give you that answer for the record. I don't know whether the specific—I think they have.

Senator LEVIN. Would you check that out?

Acting Director TENET. Sure.

Senator LEVIN. You've reached a conclusion that there was not purposeful concealment here. Or at least you seem to have reached the conclusion in your statement that no one at the CIA denied access to this information.

Acting Director TENET. Senator, we have—our inspector general is looking at all this. My comments are related to the people I've come to work with, since I really came to the issue in January. You get a sense of people and what they're about. None of these people were concealing information. They were working as hard as they could.

Now, Mr. Hitz will look at this and make his own determination. I just don't see any evidence of that.

Senator LEVIN. You've not reached a conclusion that there was none; you've reached a conclusion that you have not seen any evidence to this point that there was purposeful—

Acting Director TENET. I see no evidence to this point, Senator, and I would be astounded if someone was trying to conceal information on an issue like this.

Senator LEVIN. Well, there have been a number of astounding things in this saga.

Acting Director TENET. Yes, sir.

Senator LEVIN. So the fact that we would be astounded by learning some information, it seems to me should not astound us. And so I just want to be sure on this point that you have not concluded your investigation in this respect as to whether or not there was any sloppy or improper staff work relative to the issues—

Acting Director TENET. Well, Senator, we know that there was—we know in our April 9 submission, that we made public, we identified what we thought we didn't do well analytically, we identified

how we didn't believe we shared information well, we identified analytical biases that we think got in the way of good work here. So we have publicly put out a document that told you what we think went wrong in our own-assessment.

Now, you're raising a different question.

Senator LEVIN. But is it not also accurate, that that task force, which I think is called the Walpole Task Force—

Acting Director TENET. Yes.

Senator LEVIN [continuing]. Is continuing its examination of Kamisiyah?

Acting Director TENET. Absolutely.

Senator LEVIN. And that includes the possibility of any inappropriate conduct by any employees of the CIA?

Acting Director TENET. The inspector general will undertake that. He's doing that separately. The people doing the work will not. They'll keep working.

Senator LEVIN. But that has not concluded?

Acting Director TENET. No, he has not concluded.

Senator LEVIN. All right. I think it's important, then, that you not conclude until that investigation has been concluded.

Acting Director TENET. Yes, sir. I can only comment on the people I've been exposed to.

Senator LEVIN. On the Aldrich Ames issue, which has also been raised by one of my colleagues here, the CIA inspector general recommended, I believe, that 23 current and former CIA officials be held accountable for the agency's inability to detect Ames. Can you tell us the status of those 23 recommendations, how many of them were acted on, how many were not?

Acting Director TENET. Senator, are you making a distinction between personal responsibility and other systemic actions that we've taken?

Senator LEVIN. Right.

Acting Director TENET. Well, Senator, I can't recount for you what Jim Woolsey—precisely how he reacted to each of these things, and I don't think its appropriate that I go back and litigate all that. He made his own decisions. All I can tell you is, is that subsequent to Ames, there have been significant structural reforms, significant reforms in the way we do this business with the FBI, significant reforms in personnel security that I think are far better than those in place at the time.

Senator LEVIN. If my facts are accurate, the recommendation that 23 current and former CIA officials be held accountable, that 11 were issued letters of reprimand and that's it.

Do you have an impression if that fact is true, as to whether or not that was adequate or would you rather not? Or do you have an opinion?

Acting Director TENET. No, I don't, Senator, and I don't think it's appropriate on what Mr. Woolsey did or didn't do.

Senator LEVIN. Well, it may not be. You may not feel it's appropriate to comment but did you have an impression or do you have an impression as to whether or not the act or the follow up on the recommendations of the CIA inspection general was adequate? Your answer is you don't have a—

Acting Director TENET. Senator, in following up all of the structural recommendations, I know they've been more than adequate.

Senator LEVIN. But in terms of the 23 individual recommendations, you do not have—

Acting Director TENET. I was not personally involved in reviewing all those files and it would be inappropriate to make that judgment here.

Senator LEVIN. On the National Intelligence Estimate issue relative to ballistic missile defense, was that estimate, in your opinion, done based on the best objective evidence available at the time?

Acting Director TENET. Yes, sir. In fact I think one of the findings of the Gates panel was one of the failings was we could—the analysts could have brought more evidence to bear to better make their case.

Senator LEVIN. Do you believe that the conclusions contained in the National Intelligence Estimate were appropriate?

Acting Director TENET. I believe that the analysts reached this judgment without pressure and that they believed that they based—they reached it on the basis of the facts that they knew at the time.

Senator LEVIN. I believe in your answer to Senator Kyl you said you would be making a separate update or an ongoing analysis of some kind relative to the long-range missile threat—

Acting Director TENET. Yes.

Senator LEVIN. Would you at the same time that you do that make another assessment for us as follows: Would you make an estimate or an analysis—assessing nontraditional threats to our national security other than ballistic missiles including delivery means of mechanisms of mass destruction such as cruise missiles, terrorist chemical and biological attacks, and the use of ships positioned adjacent to our shores? Would you at the same time that you give us those annual updates, give us simultaneously this other threat assessment and an analysis of the likelihood of each of the various potential threats examined?

Acting Director TENET. Senator, these scenarios are alternative scenarios which fit right into an estimate. Of course we would give you our best judgment as to their likelihood.

Senator LEVIN. I think that would give us a balanced view of threats in this area and that would be very helpful if we get the complete threat analysis at the same time.

Acting Director TENET. Yes, sir.

Senator LEVIN. Are you familiar with the President's Commission on Critical Infrastructure Protection?

Acting Director TENET. Somewhat, Senator. I am not steeped in that commission's work.

Senator LEVIN. Would you become aware of it and give us any ongoing suggestions as to how their work can be made more useful and more relevant? They are engaged in very critical work. They are trying to make sure that our computers are not vulnerable to attacks. It's one of the real vulnerabilities that we have. And your connection to them, when you are confirmed, will be very important to us.

Acting Director TENET. Yes. Senator, we are in the process of producing a National Intelligence Estimate that will assess this

threat and, I think, will be useful to the committee and the the commission itself.

Senator LEVIN. All right. And you would be working closely with that commission?

Acting Director TENET. Yes, sir.

Senator LEVIN. My time is up.

Thank you very much, and good luck.

Acting Director TENET. Thank you, sir.

Chairman SHELBY. At this point, I think we'll break. Mr. Tenet, I believe you probably need one; we all do.

We have our conferences. There is a vote scheduled for 2:20, so we will try to reconvene around 2:30. And we'll go from there. Is that OK?

Acting Director TENET. Yes, sir. Thank you.

Chairman SHELBY. Thank you.

The committee's in recess.

[Thereupon, at 12:50 p.m., the committee stood in recess.]

AFTERNOON SESSION

Chairman SHELBY. The committee will come to order.

Mr. Tenet, are you ready to proceed?

Acting Director TENET. Yes, sir.

Chairman SHELBY. A Washington Post article dated February 2, 1997, detailed how new procedures have been implemented for flagging CIA assets who may be guilty of human rights abuses and other criminal activities. According to this report, the CIA has dismissed over 1,000 former assets since this review began.

Mr. Tenet, to what extent, if any, will these new procedures that we've been talking about be an impediment to recruiting assets who, while having an unsavory background or maybe a little tainted background at times, could provide the United States with unique and valuable information? And how much leeway do officers in the field need regarding the use of such people?

Acting Director TENET. Senator, I don't believe the asset validation program that we have in place, or the scrub that you refer to, will in any way impede our ability to recruit the assets we need when going after the hardest targets. This review in part, I believe, has freed our officers up from continuing to deal with people who had very little value to the United States or to our intelligence service. It is a prudent, wise thing to do to continue to evaluate who your assets are—

Chairman SHELBY. Cleaning the cupboard up a little bit, huh?

Acting Director TENET. Excuse me?

Chairman SHELBY. I said maybe you cleaned the cupboard up.

Acting Director TENET. Well, not only that, Senator, but the important thing is we want to free the time of our people up to pursue people who really add enormous value. I'll say this, that there have been a large number of extraordinary approvals that have gone up to the Deputy Director for Operations in the last 2 years to deal with people of questionable background, and none of those have been turned back. So from my perspective, we're doing a number of prudent things.

And one final point I would make, Mr. Chairman. The one thing I want to ensure is that the case officer in the field understands that he or she has to go out here and take risks. And when they take the risks, I want to ensure that they understand that the leader of the organization supports the risks they've taken. A little bit of transparency in difficult cases translates into situations where I'm the accountable individual or the senior management are accountable, and I don't ever want a situation where a case officer appears before this committee and is held accountable for doing something that's risky, that we ourselves don't take responsibility for as well.

Chairman SHELBY. Mr. Tenet, how would you foster caution in the selection of sources without sacrificing the aggressiveness and flexibility that are needed to fulfill the CIA's mission? Because sometimes you need some flexibility, but at the same time you've got to know what your risks are.

Acting Director TENET. Sir, in each case, each case will differ. And I want to make sure, at the end of the day, that what occurs is not a translation of excessive caution into our officers becoming risk-averse. I don't want them to berisk-averse. I want them to understand that we're all in the same boat, rowing in the same direction, with the same objective. But we do it with our eyes open. There's transparency with you and our senior policymakers. We understand our risks. We state them and we evaluate them constantly.

Chairman SHELBY. In Guatemala and in the Bosnian arms matter and in the so-called French flap, questions were raised regarding how much the United States Ambassador should be told regarding United States intelligence operations. What will you do to minimize the tensions, if any, between the U.S. diplomats and intelligence officers around the world? You alluded to that this morning.

Acting Director TENET. Senator, let me say, as I said this morning, the chief of mission is the President's representative in a foreign country. When we assign a chief of station to an embassy, we make it clear that the Ambassador is the boss. Each of these cases are uniquely personal relationships. We expect our officers to keep their Ambassadors fully informed to that the Ambassadors have a high level of trust in our officers and what we're doing. When this breaks down, as you know, we have troubles for the State Department, troubles for the Central Intelligence Agency, troubles for the country. They're not worth it. And we need to resolve these troubles as soon as they occur.

Chairman SHELBY. This committee, as you're well aware, is investigating the role of intelligence in Guatemala over the last 10 years or so, particularly as it regards human rights abuses and the murders of Americans. There have been allegations in connection with events in Guatemala and in connection with other debacles over the years, such as Iran-Contra, that the CIA has pursued covert activities inconsistent with United States public policy and without appropriate authorization.

What would you do as the Director of the Central Intelligence Agency to ensure that you, as Director at the top, are aware what

the CIA is doing and that its activities are authorized and fully consistent with our policies?

Acting Director TENET. Senator, in the current environment, in the system of command alertness I believe we have in place, the concept of a covert action being undertaken without my knowledge is hard for me to fathom at this moment in time. But if it did, my action would be swift. And if there are people who are—other agencies or policymakers who are attempting to get officers of the Central Intelligence Agency to take actions that are not sanctioned by the law or don't have the proper policy authorization, I simply will not tolerate it.

Chairman SHELBY. Covert action programs have been viewed as the intelligence activities with the greatest risk of abuse and of high profile flaps. Thus covert action is now rigorously scrutinized, as it should be, within the executive branch and by the Congress. Allegations regarding CIA funding in Guatemala highlight the current difficulty in monitoring other, more traditional intelligence activities related to collection and liaison. Do you have some suggestions for improving oversight to these activities other than what you just mentioned?

Acting Director TENET. Senator, there is—with regard to covert action, as you know, there is an elaborate process both in the executive branch and in your quarterly reviews. I don't know—

Chairman SHELBY. Do you believe the process is sufficient today, if we follow the process? And I assume you're doing that.

Acting Director TENET. Yes, sir, I do. And I believe that your quarterly reviews and then the annual reviews that are conducted at the National Security Council get us ready to answer questions that help us in our own internal oversight. We, of course, have our own internal mechanisms. But this layering effect, I believe, is very effective.

Chairman SHELBY. OK.

Shifting over to Iraq, if we could, because you were around then, supporting opponents of dictatorial regimes such as Saddam Hussein's brutal regime in Iraq is an important instrument of our foreign policy. And the United States sought at one time to bolster opponents in Iraq, especially among the Kurds in northern Iraq, as a means of putting and keeping pressure on Saddam Hussein.

Yet it seems that the Clinton administration, for the most part, stood by when the very individuals in northern Iraq that we had sought to support were attacked, captured, and in some instances murdered by Saddam's forces, especially about last August.

The administration did subsequently airlift several thousand Kurds out of Iraq to Guam, but even this mild response was undertaken belatedly, and only because, I believe, of the intervention of the vice chairman of the committee, Senator Kerrey, and others here on Capitol Hill.

To many here in the Congress—and we've talked about this before—this episode represents a failure of policy. After all, this area was for years under the protection of the U.S. military to some extent. But it also suggests to some of us that the United States, or at least this administration, cannot be considered a reliable partner in fighting dictatorial regimes like this. That's some of the currency out there.

So is helping to develop and sustain credible opposition, and opposition force to Saddam Hussein, in America's strategic interest? And if not, why not?

Acting Director TENET. Senator, I think that this is an issue, as you know, that we should talk about behind closed doors.

Chairman SHELBY. And we will tomorrow.

Acting Director TENET. We can go into it in greater detail. I don't feel comfortable about crossing that line in the open.

Chairman SHELBY. OK. I'll save those questions for the closed session.

Senator Kerrey.

Vice Chairman KERREY. Mr. Tenet, to be clear on this, one of the reasons that I think that you'll do a good job at DCI is that you do have the capacity, in an unusual environment—unusual to find that we provide under the law the right to say that the public will not know what we're doing. There are secrecy statutes, and you have the President making classification decisions, and not just in covert but also in many clandestine areas. The public doesn't have a right to know because we've made a judgment that if we disseminate that information in a public fashion, that could risk the operation, risk our source, risk lives, endanger people as a consequence. But I think it's terribly important for us to understand that all means are not justified by the ends.

And one of the reasons I believe that you will do a good job as DCI is that, as a consequence of, I suspect, your mother and father's influence over you, for whatever it is, you seem to have a very good moral compass and have the ability, in the environment where nobody's looking, to say, that's wrong and we cannot and will not do it. And I think it's terribly important in the open that we say to the American people that we are concerned about the means and that we don't say, well, in all cases, the end is important to accomplish, and any means is therefore justified.

So—I just want to say for the record that one of the reasons that I like your selection is you've demonstrated, as Senator Boren and many other people have attested to, and I could myself with examples, you've demonstrated an ability in a secret environment to say, no, that conflicts with American ideals and values, and we simply are not going to do it.

The reorganization effort that you and I talked about in the previous encounter came about as a consequence of a number of things, not the least of which is all the problems resulting in the Ames discovery. And the Brown Commission was appointed and the Brown Commission's recommendations were made and we tried to convert and had considerable resistance in converting many of the recommendations.

One of the problems identified by the Brown Commission is that you, as the DCI, presuming confirmation, have overall responsibility, communitywide responsibility for intelligence. And you have the responsibility for managing the CIA. And your office is located at Langley, inside of CIA. So you've got this job that requires you to leave the premises and go out and work communitywide at the same time that you need to manage the agency itself. And question No. 1 is—all these questions are designed to determine what kind

of approach you're going to take in managing both the CIA and the other things that you have responsibility for.

Do you think the CIA should have direct control over the budgets of the NRO, the NSA and other non-CIA components of the intelligence community? Why or why not?

Acting Director TENET. Senator, I think that the relationship I have with those agency heads and those budgets today is an appropriate one. We've gone to a—one of the things that we're going to do is continue to strengthen the community management staff, which is the focus of your legislation. We've gone to a system of mission based budgeting. I believe we're now at the point—it's our first year of mission based budgeting. We're now going to come to the point where we understand what performance really means, and we're going to be able to make the kind of trades across budget lines that I believe we must make, and indeed, we've already started to make, not just with regard to the National Foreign Intelligence Program, but with the JMIP and Tiara as well, viewing the intelligence budgets as synergistically intertwined, as opposed to a piece at a time.

So I think I've got all the authority I need at this moment to make those trades.

Vice Chairman KERREY. How did you feel when you saw first Director Woolsey and then Director Deutch get hauled before this and other committees when the NRO problems were made public, knowing that they didn't have the authority to build the NRO budget? I mean, we didn't call Secretary Perry up here to grill him about what went wrong at NRO. We called up Director Deutch and Director Woolsey and raked them over the coals.

I mean, do you think it's appropriate if some problem within NRO's budget or NSA's budget erupts that's major, that we should call upon you? Or do you think we should call upon you and Secretary Cohen to explain what went wrong?

Acting Director TENET. Well, Senator, as the leader of the community, I believe you do have—you should have an expectation that I will be at any session that evaluates those kinds of problems, I do build the NRO budget. We do—the DCI levies the requirements. I do talk about the technology. We do determine which satellite architectures should be pursued. So the role of the DCI in that organization is quite a healthy one.

Vice Chairman KERREY. But do not, under the law, have reprogramming authority for any of those.

Acting Director TENET. Well, that's correct, Senator.

Vice Chairman KERREY. So, I mean, I hear your answer. You're saying essentially that you're not advocating any change in that. But I do think that it's important, again, for the public to understand that you have responsibility, but you lack authority in many areas that might be suspected, given the connection that we make between the DCI and these agents.

Acting Director TENET. I certainly lack statutory authority. I don't lack the authority of moral persuasion and the force of argument. But let me say this. The reprogramming issue—

Vice Chairman KERREY. We're not going to do this law thing again.

Acting Director TENET. No, we're not. I hope not. [Laughter.]

But let me say that the reprogramming issue is one I would like to revisit with you. I think that's the one that's worthy of thinking about. And as I proceed, if I'm confirmed, that's the one area I'd like to see whether the authorities I have are sufficient. There is no—there has been no instance in an emergency, Senator, in an emergency, where we couldn't quickly reprogram and get things done. That's no—that's probably not true on a day-to-day basis, and I'd like to come back to you on that one.

Vice Chairman KERREY. Well, I put on the plate as well under that heading the role and mission of PFIAB and the Intelligence Oversight Board. I've got myself some misgivings about what kind of authority they have and what it is that they're supposed to be doing.

Acting Director TENET. Well, they have plenty of authority, but they really function as—they really function as oversight mechanisms for the President. And they are the vehicles he maintains oversight over our community, so that they have rather discreet functions, Senator. But we can talk about that at length.

Vice Chairman KERREY. OK.

In the authorization act for fiscal year 1997, one of the things that we did was to direct the intelligence community to develop a data base that we found to be needed in order for not only you to make budget decisions, but we to make budget decisions as well, a data base that would give us detailed budget information, that would include periodic reporting of budget execution data so that not only, again, you can effectively utilize the data, but so can we in evaluating your budget request.

What's the status of the—

Acting Director TENET. I don't know, Senator. I'll have to get that to you for the record.

Vice Chairman KERREY. Well, you stole Mary Sturtevant. I assume you—

Acting Director TENET. She'll tell me.

Vice Chairman KERREY. She'll tell you.

Let me talk a little bit about notification. That is always a tricky issue for us and you. And I would say you note in your testimony, I think the number 400 notifications since 1993. I don't remember the last time for that. But I can testify since Ames that there has been a very healthy, though sometimes overwhelming, increase in notifications. And it is very helpful, because I believe that the sooner the notification of a failure occurs, the more likely it is that we'll be able to assess what kind of damage occurred and then try to put together an appropriate course of action. It's why, though the law didn't require it in the situation having to do with the green light in Zagreb to arms shipments, even though the law didn't require it, and I do not believe there was a violation of law, I do think it would have assisted the oversight committees and the Congress in general in making decisions about where do we go from here, now that the executive branch has either made a mistake in an intelligence operation or it's made a decision to make a modification and change.

I just want to declare why I think prompt notification is important, as well as to congratulate you and DCI Deutch for making that decision, because I think it's the correct decision. I think that

you have not received as much credit as you should, because I would like to see it continue.

There are no sanctions today, as you know, for failure to satisfy the notification requirement. Do you think that, dare I say the word again, the law should be changed to provide sanctions, or at least to clarify this requirement?

Acting Director TENET. Senator, my gut instinct is that I don't, because we provide these notifications not on the basis of a statutory requirement but on the basis of comity between us. And that's—

Vice Chairman KERREY. Did you say comedy?

Acting Director TENET. Comity, c-o-m-i-t-y, between us. And we function as partners in many ways. So my sense of it is—of course, you may say it may change in the next regime and the next guy in, but I don't believe that the system of congressional notification or oversight is moving backward in any way. I mean, I think we've set the standard. So long as we trust each other, I would resist statutory changes.

Vice Chairman KERREY. Do you know if the President plans to keep Fred Hitz as inspector general?

Acting Director TENET. I haven't discussed it with the President.

Vice Chairman KERREY. So that would be no, you don't know?

Acting Director TENET. I don't know.

Vice Chairman KERREY. Have you heard from the elevator operators any rumors that would lead you to—

Acting Director TENET. No, sir. I think the elevator operators are trafficking in a lot of rumors about a lot of people, and I'll keep my counsel here until we see how things go.

Vice Chairman KERREY. Do you think that the NRO should transfer its functions for spacecraft acquisition to the Air Force so that all space programs are procured under a single authority?

Acting Director TENET. I don't know the answer, Senator. I'll get back to you on that.

Vice Chairman KERREY. Can you—have you given any thought to pros and cons of allowing U.S. industry to build commercial satellite imagery systems to be owned and operated by foreign entities?

Acting Director TENET. Well, yes, I have. As you know, Senator, I was involved in the Presidential decision directive that changed our remote sensing policy. I think that we—our industry is about to take off in this arena, and I think it's important that we promote it. Commercial imagery in the future, as you know, will be a critical component of our own future imagery architecture. It also provides the United States—and it's in our Government and our security interests—an ability to extend our interests and our influence in places of the world.

So I believe, although we're not there yet and our industry is slowly developing capability, I believe that this is a way not only to enhance our security interests but to enhance our competitive interests around the world. Vice Chairman

Vice Chairman KERREY. There are two—I don't know if they are trends or not—but one is definitely a trend, the other one is just an observation I believe of the skill required to adjust to the trend. The trend is that there is an increased availability of open source

information. And lots of factors. The Soviet Union collapses. Now they have a much more open reporting of what goes on inside of Russia and the other former Soviet Union countries. You've got an increased availability that comes from new channels, new people out there reporting on what's going on, so that there is this rich reservoir of information. And if you consider that the Commander in Chief, the President, is the most important customer in the food chain, it seems to me one has to observe what's the President doing to acquire the information that he or she needs to make decisions—or not necessarily needs but what is the President using to make decisions.

So if the President is using an increasing amount of open source information, a lot of anecdotes to that conclusion, as well as for Members of Congress and many military people, when the balloon goes up, and then everybody runs to CNN to find out what's going on, or some other open source area.

The observation that I make, in addition to that trend, is that if you consider the three functions of bringing in data—one is I've got to collect it from all sources, then I've got to hire somebody to analyze it, and it's a critical part that you alluded—not alluded—you specifically addressed in your testimony, the need to create career paths for analysts. And then last I have to disseminate it. I have to get it to the individual.

There is a fourth function, as I see it, that's different than analysis, and that is to produce the intelligence in a fashion that the customer will use it. If the customer is watching Beavis and Butthead instead of reading a 500-page document—and this is an extreme example—reaching a policy conclusion based upon watching CNN or something, they may be saying that the produced project is not as readable, is not as valuable, and therefore they're not using it.

And I just wonder if in a few minutes, and perhaps you could just ponder it and come back, and I'll pick it up in my third round—you don't need to answer at length.

Acting Director TENET. One thing—but the one thing you said this morning when you talked about your vision of 2017 was I think you said you saw an increased reliance on open source information—did you say that?

Vice Chairman KERREY. Yes.

Acting Director TENET. I think it will be increasingly used. Now, the question is who provides it. Did our community that has the responsibility to provide that open source information, because my view of that is somewhat different—I have a different view. We are an espionage organization that is supposed to have access to open source data bases to use clandestine collectors and use clandestine assets. But I don't want to be in the position where we lead people to believe that we are going to be the open source repository for the entire Government, or pay to develop that kind of a capability, because quite frankly I don't—I don't think we have the money to do it, and I don't think it's our mission.

It is our mission to understand how that open information affects our analysis and how classified information affects what the open source may or may not say; but I have a concern that we may push this farther than really is within our jurisdiction or our capability.

Vice Chairman KERREY. I share that concern. I'll take it up with you on third round.

Chairman SHELBY. Senator Hatch.

Senator HATCH. Well, thank you, Mr. Chairman.

Mr. Tenet, you have extensive background in intelligence matters, and both from your Hill experience and your service in other areas as well, and I think you have a good understanding of the role of congressional oversight. In addition, your experience with the intelligence community spans a watershed period—the collapse of the Soviet empire and the concomitant fall of Communist regimes in Europe. We are all still wrestling with the consequences of devising a new foreign policy based on new conditions.

From my perspective we are in a period where some of our traditional threats have waned, if only temporarily. I stress that not all of them have problems. Clearly problems remain with North Korea, Iraq, Iran, Syria, just to name a few of the terrorist states, and others as well.

But I think we have a brief historical period here where we have to take strides in establishing structures and institutions to combat what are referred to as the “nontraditional” foreign policy threats of the post-cold-war era—terrorism, narcotics, and international organized crime.

As chairman of the Judiciary Committee, I can only reiterate what most citizens recognize, and that is that drugs distributed by international cartels are seriously corroding the very fabric, moral fabric, of our society. And in addition to wreaking havoc here, the lucre produced by these empires of death are corrupting developing societies on at least three continents. And I consider these really serious foreign policy threats.

In our threat assessment hearing last February I asked you questions regarding the intelligence community's assessment of the problems of international organized crime, and you said you wanted some time to provide thoughtful responses. And I checked with the committee the other day—I have not yet received those responses.

Acting Director TENET. Well, they're coming soon, I can assure you.

Senator HATCH. I am sure you would like to provide those.

But let me just proceed to ask a few questions along these and other lines. In your opinion, has the U.S. intelligence community done a good job in adjusting its plans and programs to these new world situations?

Acting Director TENET. I believe we have, Senator. I believe particularly in the transnational targets of crime, terrorism, proliferation, we're moving expeditiously to take advantage of the fact that here are the growth areas that concern us the most. Now, more needs to be done.

The organized crime piece is very, very difficult. It requires our cooperation with law enforcement. It requires an understanding of forces that are really nontraditional, and need more work on our part. As you know, we've combined our crimes and narcotics center and created an all source center in the CIA.

But this is an issue, the organized crime issue, if I may for a minute, that concerns me a great deal. It takes advantage of soci-

eties, newly emerging countries, both in the former Soviet Union and Eastern Europe, where the infrastructure and enforcement mechanisms aren't necessarily as vibrant as they should be. These organized criminal families challenge democracies as they try to develop. They involve themselves in all facts of illicit activity—money laundering, the trade in weapons, and support for terrorism. So it is the multinational corporation of the future. And some of these crime families have far-reaching tentacles, and they are a grave concern both to us and to the FBI. So this is an area that I believe will be with us for a very long time.

Senator HATCH. To what extent do you see these as legitimate national security concerns?

Acting Director TENET. I believe they are absolutely legitimate national security concerns, Senator, because they get in the way of our interest in a fundamental way.

Senator HATCH. Has the intelligence community shifted its focus on its viewpoint significantly enough to cover these areas?

Acting Director TENET. Senator, I would be—I would have to say more needs to be done. I'm willing to tell you that we are where we need to be.

Senator HATCH. In the Intelligence Authorization Act for fiscal year 1997, a number of changes were directed. Among them were the formation of the two committees—I think you mentioned those—at the NSC where you used to work—

Acting Director TENET. Right.

Senator HATCH [continuing]. One of them being a transnational threats committee to provide effective guidance and coordination between the intelligence community and law enforcement to combat these nontraditional threats. What's the status of that committee?

Acting Director TENET. They're up and running, Senator. I think it's the early stages, so we'll wait and see how effective they are.

Senator HATCH. You feel it's working all right in its early stages?

Acting Director TENET. Yes, sir.

Senator HATCH. OK.

As you know, these nontraditional challenges we face require the best cooperation between law enforcement and the intelligence community, and there have been stories that both the CIA and FBI were each trying to get the lead on grappling with the issue of organized crime in Russia. Is there a clear division of labor on this particular issue?

Acting Director TENET. Well, Senator, there is a coordinated division of labor. In fact, we do joint targeting on organized crime with the Bureau, and I think we are breaking down a lot of the traditional barriers, not only in the counterintelligence area but in this area as well. So I would way cooperation is getting better all the time here.

Senator HATCH. How should the intelligence community work better with law enforcement, as well as the Defense and State Department, especially to combat the scourge of drugs?

Acting Director TENET. Well, Senator, we have to view the law enforcement community as a primary customer. Now, they have a—ultimately have a different objective than have, but there is legislation in the authorization act last year, section 105(a), that now

allows law enforcement to task us to help in the criminal investigations and help them do their work, and I think it is an appropriate customer, and someone we pay a lot of attention to.

Senator HATCH. And, finally, on the topic of coordination in the fight against narcotics, the arrest by the Mexicans earlier this year of General Gutierrez, who was the head of their equivalent of our Drug Enforcement Administration, that shocked authorities in this country. Gutierrez apparently had been working for a major cartel for a while, and we had been providing him with intelligence briefings, as I understand it.

Now, how would you characterize this episode? What did we learn? And, in particular, are you satisfied with the procedures in place for analysts to coordinate their knowledge between law enforcement and the intelligence community agencies?

Acting Director TENET. Well, Senator, with regard to this individual, as you know, just to go over some history, we gave General McCaffrey a bio of General Gutierrez in December that did not include any information that was unfavorable. He came under suspicion later on by Mexican authorities in January or February. In terms of what we knew about him at the time, he had been in at least what we believe quite active against—and involved in the arrest of a number of drug kingpins. As you know, this is a fluid situation, and these drug cartels have an awful lot of money and they are very, very pervasive. The key thing in my mind here is going back and evaluating how well we shared information with law enforcement to see whether we had more information at our disposal. And it's something that both I and General McCaffrey are working on very closely now to coordinate those efforts. And I believe he's done a marvelous job in getting us all coordinated.

Senator HATCH. I think he's doing a good job.

But on traditional areas of cooperation between the FBI and the intelligence community, most notably counterintelligence, let me just ask a few questions there. The recent Department of Justice Inspector General report on the Ames case highlighted the need for improved cooperation and coordination between the CIA and the FBI. Now, has that been effected, or is it in process?

Acting Director TENET. I believe it's totally been effected, Senator.

Senator HATCH. OK. The recent Nicholson case did highlight more cooperation between the two agencies, but at the same time the case with Vladimir Gulkin, the former KGB officer arrested at JFK, revealed what appeared to be a lack of coordination between the two agencies as well as the State Department. What more do we need to do to improve that situation?

Acting Director TENET. Well, it's actually—the Gulkin case has actually in terms of procedure been fixed. There are now focal points to deal with those kinds of cases, both at CIA and at State, and at the NSC, who will undertake its traditional coordinating role here. And I believe we have overcome that one as well.

Senator HATCH. If you were to list the major challenges as you understand them, functional and regional, in the counterintelligence agency today, what would you list them as? Maybe I could ask another question: Does the intelligence community have the re-

sources, including the basic foreign language skills, to meet those challenges? And, if not, how are you going to address that?

Acting Director TENET. Well, Senator, with regard to—if we're talking about the domestic counterintelligence threats, I guess I want to be careful about who I list here in an open session, but there are obvious candidates—the Russians, the Chinese, and others. Does the Bureau—does the Bureau have enough resources domestically to cover these targets? A question we should direct to the Director of the FBI. This is an area that requires a lot of attention, a lot of time, a lot of energy, a lot of people. I can't tell you we have all the people and money we need, or that we are as up to snuff across the range of languages we need to be. And this is part of our larger effort to improve the quality of our work force in the future. But these are tough, tough targets, whether they operate here against us or operate overseas against us.

Senator HATCH. Are you getting enough language coordination? Are you getting enough people who speak—

Acting Director TENET. We are working on it. We are working on it, Senator. I am not happy with the level of language coordination, not happy with the level of our language capability overall against our hardest targets. And it will be one of my highest priorities to increase our language proficiency across the intelligence community, not just the CIA.

Senator HATCH. You've been working at Langley for some time now, and getting good reports I hear. Can you identify here and in tomorrow's closed sessions, any programs that you personally developed, promoted, or implemented that reflect your views of the Agency's role during a post-cold war era?

Acting Director TENET. Well, sir, I think one of the things that I devoted most of my time with has been on so-called hard targets, taking the toughest challenges and creating community working teams around these targets to ensure that we have the people, operational expertise, and analytical depth that we need to do the targeting and attack these targets. I've taken 12 of these, brought them to some closure, created community-wide boards that will now meet quarterly to establish metrics to tell us how we are doing against these tough targets. So this was a major community effort that I led.

The second area that I am particularly proud of is my work with law enforcement, my work with the former Deputy Attorney General and the Director of the FBI on counterintelligence matters, and on issues affecting the law enforcement and intelligence communities is another area that I have spent an enormous amount of time in, because I believe this coordination is critical to our success in the future.

Senator HATCH. As you know, over in Croatia it looks as though President Tudjman may have more health difficulties, and there appears to be a split in the population due to some of the prior fascist leanings. Can you give us an appraisal of where we are going there and what's happening in that area? Or is that something that needs to be talked about in closed session?

Acting Director TENET. I prefer to do that tomorrow, Senator, if I could.

Senator HATCH. All right.

Well, Mr. Chairman, I think that will do for me.

Chairman SHELBY. Senator DeWine.

Senator DEWINE. Thank you, Mr. Chairman.

Mr. Tenet, I want to talk to you for a moment about something you and I talked about in the office when you were kind enough to come in several weeks ago. It seems to me that all of the successful Directors of the CIA have had a couple of things in common. One is they have been strong leaders internally within the CIA itself, and in the intelligence community; but, second, they've all had access—good access—to the President of the United States. I would like you to discuss that a little bit. And I understand that when you are dealing with any President, the access comes primarily from the top down, and that's a decision that this President and his chief of staff are going to have to make. And, just for the record, I would just publicly state how important I think it is that you have good access to the President. He is the No. 1 consumer. He is in some cases the only consumer, or certainly the most important one. I wonder if you could just comment on that, and I realize you cannot instantly overnight create a relationship that may not be there now. You have not been a White House insider. But your success, I think, is going to depend to a great extent on your ability to communicate to the President.

Acting Director TENET. Right.

Senator DEWINE. Sometimes when he doesn't want to hear things.

Acting Director TENET. Well, Senator, I'll say this. I talked to the President obviously at the time that he asked me to be his nominee, and I talked to him prior to appearing before you today to talk about some of the things that I was going to say today. And he wholeheartedly endorsed what I had to say. My relationship with the national security adviser and the rest of the national security team is very, very good. I don't have any doubt about my ability to see the President when I need to see the President. I believe a director of central intelligence should see the President from time to time, and I intend to do so. I think he is quite keen to hear from me, and quite attentive to our issues, and quite an avid consumer of intelligence. And every time I have engaged him with the previous Director, he has been right on top of our issues. And I know that this is a relationship that I will build upon. So we don't play golf together, but I will be seeing him often, I think.

Senator DEWINE. Good. Thank you.

Thank you, Mr. Chairman.

Chairman SHELBY. Senator Allard.

Senator ALLARD. Thank you, Mr. Chairman.

In light of some articles that were written about the middle of March or so, I feel compelled to ask you a few questions about your view of the CIA and political activities. Around March 17, we had headlines showing up in the Wall Street Journal and the Washington Post and New York Times about CIA's link to DNC contacts on fundraising, and I have several questions I want to ask specifically relating to that. While you worked at the NSC, were you contacted by anyone involved with the President's reelection campaign, the DNC, or the President's political advisers, asking you to meet

with any individuals in your capacity as senior director for intelligence? And, if so, what was your response?

Acting Director TENET. No, Senator, I was not.

Senator ALLARD. Thank you.

And as part of your work at the National Security Council, were you ever asked to provide recommendations regarding potential visitors to the White House?

Acting Director TENET. No, Senator, I was not.

Senator ALLARD. OK.

And what do you believe should be the CIA's policy regarding official employee contact with domestic political organizations?

Acting Director TENET. There should be none ever.

Senator ALLARD. Do you believe the policy should be changed?

Acting Director TENET. No, sir—from the policy I just enunciated?

Senator ALLARD. Yes, yes.

Acting Director TENET. No, sir; I believe that it is absolutely inappropriate for any political organization to believe that they can have access to anybody inside of my building, period.

Senator ALLARD. Thank you.

Let me ask you a little bit to followup on the questions on your counternarcotics effort. Do you have any visions of how you might improve your counternarcotics efforts, or are you pretty comfortable with your efforts in trying to do that now?

Acting Director TENET. I am, and I do, and I think we should talk about those in closed session, Senator. There are some programs that I don't think we should talk about here.

Senator ALLARD. OK. But in general terms you're stating that you think we ought to put more effort into counternarcotics and you're willing to do that?

Acting Director TENET. Yes, sir; and I would say to you for the dollars we spend, the return on investment from the intelligence community is enormously high.

Senator ALLARD. Again, concerning the problem with illegal narcotics, how do you view your relationship with local law enforcement, and then also the Federal agencies—the FBI and other—Immigration and other agencies?

Acting Director TENET. Senator, as you know, the narcotics community has a whole task force of people who not only do targeting analysis, but also sit down and discuss these issues and integrate both the law enforcement and intelligence communities.

Now, it works well here in Washington, it works well in foreign countries. How it translates into the localities or across the borders sometimes is uneven and it needs a lot of work on our part. But we do work very hard at it, do work extremely close with our DEA colleagues in this effort. They would be primarily interfaced with local law enforcement and other people. But this is something that, as you can imagine, has many tentacles and many organizations that need to be coordinated.

Senator ALLARD. I'd like to delve a little bit into what might be your management style within the Agency. In any agency there is always this issue of individuals who have been loyal traditionally, but perhaps don't do as good a job now as they did in their earlier years, or maybe they've lost their focus—they're looking forward

more to retirement and are maybe not as productive. As you have younger members coming up into your Agency, how do you deal with these types of personnel problems?

Acting Director TENET. Well, Senator, my view on how you would lead an agency is to get your hands dirty, get to see people where they work, let them know that you have warm blood in your veins and care about what they write and what they say, and be very, very much of an activist in the day-to-day operations of what they do. I find that that's been my style my whole life, and I find when you practice that style you get a response from people who don't want to work and people who do want to work.

But performance is how we have to judge everybody. And in viewing people with a sense of enthusiasm and a hands-on leadership is the way I believe people respond best.

Senator ALLARD. OK.

Mr. Chairman, I don't believe I have any more questions.

Chairman SHELBY. Senator Roberts.

Senator ROBERTS. Where is everybody?

I guess this is the last dog here, George; thank you for your patience.

I have a question in regard to the intelligence targeting and that there is a school of thought we should put greater emphasis on the economic interests on issues that we face—I'm talking about environmental degradation, world health, and overpopulation issues. And there was an article—I think the Post—I'm not sure it's the Post—but there was an article I just read about our Secretary of State in Guatemala making the commentary that car theft was a real problem, and it is, and let the record show that I am opposed to car theft. But I have a concern. Former DCI Robert Gates has stated publicly—and I'm reading here—he does not believe that the intelligence community should be collecting against and analyzing such issues that I have described in terms of the priorities that we have, the U.S. vital national security interests.

Now, you above everybody know the budget pressures and the tough dollars that we have available. So in your view, has the intelligence community shifted too far in its focus on less traditional threats, or not far enough?

Acting Director TENET. In terms of the environmental threats and other threats you mentioned, Senator? Those kinds of threats? We shifted too far in that direction, is that the question?

Senator ROBERTS. Yes, as opposed to the more traditional—

Acting Director TENET. No, I don't believe so, Senator. I think we spend about one-tenth of 1 percent of what we spend on issues like this. For example, there were floods in Ohio, there were floods in the Northwest. We can provide our civilian agencies some understanding about how disaster relief should be properly implemented. It seems to me that those are uses of collateral products that I think it's important for us to bring to bear.

There are lots of things we can do that don't cost a lot of money that pay a dividend like that. Do we care about what kind of nuclear material has been dumped into the Arctic Ocean? People in Alaska may care. So when we can do this and not pay a lot of money, and add such benefit, I don't think it's a bad thing to do for the American people. I certainly don't see this as growing into

a big cottage industry. But when we can do it I think we should do it.

Senator ROBERTS. One of the things that we have been talking about in this committee is the trend toward the proliferation of weapons of mass destruction—not only nuclear, but the biological and the chemical. And there has been some talk about an attempt to consolidate better some of the information and some of the efforts, that is that we can hopefully detect when we have a problem, but what do we do then?

Would you care to comment? I think it was the vice chairman, the distinguished Senator from Nebraska, who indicated if you go down our vital national interests obviously we have narcotics, we have terrorism, we have other things—but as we take a hard look at this it seems to me that that is a very, very crucial problem. Would you care to comment?

Acting Director TENET. Yes, Senator. And one of the first things that I am going to do if I am confirmed is we have got a number of ideas about how we streamline and consolidate the work of our own nonproliferation center and the community nonproliferation activities to maximize our efficiency and provide the kind of warning to our customers that you are talking about.

I've got a number of alternatives that I believe will be laid before me, and I'll be coming up here to talk to you about that.

But the proliferation issue, and particularly the proliferation of ballistic missiles, and conventional weapons, we often ignore what the proliferation of conventional weapons means for U.S. forces. This issue is probably the greatest threat to U.S. forces and our men and women who deploy overseas than any other. Any we have to be much more vigilant about it. We need to organize ourselves better. I think Senator Kyl has legislation where he has tried to get the policy community to do a better job. Any we are a critical component of that. And I'll be back to this committee with my views on that.

Senator ROBERTS. I certainly applaud your statement in that regard.

Let me ask you a question in regards to our POW's. In July 1993, the Secretary of Defense consolidated, as you know, the four DOD offices charged with different functions of the POW/MIA issue. What I would like to ask is how is the current structure working? In your opinion, what is the proper role for the intelligence community in the area of the POW/MIA issues? Without an intelligence community capability, in regards to analyzing this issue, how will you comply with Mr. Berger's request?

Acting Director TENET. Senator, I am going to have to come back to you on this one. I don't know the answer to the question, and I'll come back to you with a thoughtful answer as soon as I can.

Senator ROBERTS. President Bush, in Executive Order 12812, directed all departments and agencies to declassify and publicly release without compromising the U.S. national security, all documents, files, and materials pertaining to the POW's and MIA's. And President Clinton further directed, in Decision Directive 8, this action be completed by November 11, 1993. It's 1997: Do you know if the CIA has complied with the intent and the timing required by these two directives?

Acting Director TENET. I don't, Senator, but I will find out for you.

Senator ROBERTS. All right, thank you.
North Korea.

Acting Director TENET. Yes, sir.

Senator ROBERTS. I think it was an armed services hearing—I asked at that particular time—don't think I asked it of you—I asked a general whether or not if we supplied the food aid, at least in part, would the overall humanitarian function—would it go to the people who need it or would it go to the North Korean military. I feel pretty sure I know where it would go. And I think the response was that we didn't really know. Perhaps that's my impression of it. Having come back from North Korea with Ted Stevens and the appropriators, the first delegation to be admitted over there, I am extremely concerned about North Korea. Do you feel that a nation's internal political system should be part of the intelligence gathering responsibility, along with whatever missile threat they may pose?

Acting Director TENET. Yes, I do, sir; and I—we can talk about more of this in closed session. But one of the things that worries us the most is an implosion internally—what the consequences may be on the peninsula, and how it may lead to less traditional scenarios for conflict. It is of great concern to us.

Senator ROBERTS. They have a very severe problem—at least as far as I was able to determine. Any you worry about them imploding over about a 3-year period and what that means in a lot of different areas, and I'll look forward to your response in the closed session.

I yield back, Mr. Chairman, thank you.

Chairman SHELBY. Thank you.

Mr. Tenet, getting back into some of the stuff we were talking about a little earlier, how do you interpret the President's statutory responsibility under section 501 of the National Security Act to inform the committees, I'll quote, "any illegal intelligence activity"? Who decides if an activity is "illegal"?

Acting Director TENET. That's an interesting question, Senator.

Chairman SHELBY. It is very, very—

Acting Director TENET. If I believe I can decide, I believe lawyers downtown can decide. I mean, as the Director of Central Intelligence, I have a clear ability to make a decision as if something illegal has occurred.

Chairman SHELBY. You also have counsels, don't you?

Acting Director TENET. Yes, I do. So I have the wherewithal to at least—and if something illegal has occurred I would refer the matter. But I don't think there is a—I think we know it when we see it, Senator. I think it's fairly clear.

Chairman SHELBY. You'd recognize it, you hope, anyway.

Acting Director TENET. Well, I don't think there would be much doubt, but, yes, sir.

Chairman SHELBY. How do you interpret the DCI's responsibility under section 502 of the act to inform the committee of, "any significant intelligence failure"? Were there any such failures during the first Clinton term? And, if so, would you talk about it now or talk about it later?

Acting Director TENET. Senator, I'll have to take that one for the record and think about it and see if we have any intelligence failures that warrant that kind of a notification. But I believe there is—when we see them you should know about them—in part, the notification process that is in place often tips you off to problems before they become full-fledged failures.

Chairman SHELBY. Under section 503 of the same act, the President may choose to withhold prior notice of covert action from the oversight committees, such as the Senate Intelligence Committee, and provide notice, "in a timely fashion."

Acting Director TENET. Yes.

Chairman SHELBY. In what circumstances, if any, do you believe this would be appropriate to withhold?

Acting Director TENET. Senator, it's—I can't imagine a circumstance where it would be appropriate. There may be life and limb involved, and I don't want to get into the hypothetical. But there are probably a few circumstances that would warrant that kind of withholding. And I must tell you it's not something I would countenance. I would push the President to come talk to you as soon as possible.

Chairman SHELBY. Do you believe it would be appropriate, Mr. Tenet, to amend section 503 to require prior notice of covert actions in all cases other than a genuine emergency? Would it be appropriate to codify a straight 48-hour rule where prior notice is not given?

Acting Director TENET. Senator, I believe the rules that we have in place today are working very satisfactorily between our branches. I have no—

Chairman SHELBY. It depends on the people who implement them, doesn't it though?

Acting Director TENET. Yes, sir.

Chairman SHELBY. And you're going to be that person, assuming that you're confirmed.

Acting Director TENET. You won't need a statute to have me come notify you, no sir.

Chairman SHELBY. Mr. Tenet, is there any circumstances under which you would intentionally deceive or mislead one of the oversight committees, or direct an official under your control to do so in pursuit of a policy objective or to protect the national security?

Acting Director TENET. No, sir.

Chairman SHELBY. Are there any circumstance under which you would refuse to answer an inquiry from one of the oversight committees, such as the Senate Intelligence Committee in pursuit of a policy objective or to protect national security?

Acting Director TENET. Senator, now we're at an interesting place about talking about policies. The Director of Central Intelligence has a responsibility to talk to you about intelligence activities. The Secretary of State, the Secretary of Defense, the National Security Adviser, has a responsibility to talk to you about policy. Let me say this about that. If there is a policy that people aren't talking to people about, I would urge them to tell them quickly. We've been through situations where policies haven't been briefed, and the consequences are well known to all of us.

Chairman SHELBY. Mr. Tenet, I want to go back to some of the remarks in your opening statement as we understood them. In your opening statement you stated you profess a, "zero tolerance for competition and turf battles in the Intelligence Community." Would you give us some examples of competition that are detrimental or could be detrimental to our intelligence gathering efforts?

Acting Director TENET. Senator, by that I mean I don't want to have big debates about who—you know, who—

Chairman SHELBY. Who did what?

Acting Director TENET. In a budgetary context, for example, I want to judge people by performance. I want to make decisions about who gets the job done in the best and most efficient manner for the country, not on the basis of what historical prerogatives have been or who has spent money or who believes they have turf that they're covering.

So in a generic way I don't have any time for people telling me that the CIA doesn't do this, or NSA does this. Who does it most effectively? Who has developed the best capability? Who has the best access? Who's got the ability to really make a contribution? That's how I judge our program.

Chairman SHELBY. Assuming you're confirmed to be the Director of CIA, you will be in the seat to determine a lot of this and to cut out a lot of what we call turf battles—

Acting Director TENET. Yes.

Chairman SHELBY [continuing]. If you jump up to the front, as I believe you will.

Acting Director TENET. Yes, sir.

Chairman SHELBY. You stated earlier that you intend to streamline the process of intelligence gathering and analysis. Have you discovered some redundancies? And, if so, how do you intend to rectify them, and can you talk about it here?

Acting Director TENET. Senator, I'll give you one example—

Chairman SHELBY. OK.

Acting Director TENET [continuing]. On the collection side. There are about 14 to 15 collection committees that operate today. I don't believe they all know what they do everyday—I certainly don't know what they do everyday. I have to have a better ability to control the collection of intelligence on a daily basis, and we intend to streamline how that collection occurs, provide greater transparency to senior leaders, and make sure that the collection matches the priorities that we believe should be being pursued.

Chairman SHELBY. Will you need legislation to do that?

Acting Director TENET. No.

Chairman SHELBY. Can you do it with the present—

Acting Director TENET. If I need legislation, Senator, I'll be here to ask for it. But I think I can get it done on my own.

Chairman SHELBY. OK. You might not can answer this—I am going to ask the question. Could you please tell us where you perceive, if you do, gaps—and this is your word—gaps and shortages in our analytical expertise, and how these gaps come to exist? And have you identified specific sources that are capable of filling these gaps? Do you want to address that tomorrow?

Acting Director TENET. I do. But let me say something generally. I believe that if you look at our hardest targets and our most en-

during challenges, we simply have to do a better job building the analytical and language and operational depth that we need to succeed in the future. And I can give you some specific examples in closed session of what I am worried about.

Chairman SHELBY. You will recall that the CIA inspector general was asked on October 31 of 1996 by former Director of Central Intelligence, John Deutch, to conduct an assessment of allegations made by former agency employees, Patrick and Robyn Eddington, concerning the handling of information about the possible exposure of U.S. Armed Forces to chemical weapons in the gulf war. What is the status, if you know today, of the inspector general's investigation? If you don't know, can you brief us on that?

Acting Director TENET. Well, Senator, he's actively engaged in this effort. I don't want to pin a date on it, but I think he's a few months away from being able to conclude this. It's obviously important to us. We raised—we've talked about this issue before.

Chairman SHELBY. There are some serious allegations here.

Acting Director TENET. Well, there are allegations, and we want to get to the bottom of whether in fact the allegations are true, for obvious reasons.

Chairman SHELBY. During the course of this committee's inquiry into CIA activities in Guatemala, and the United States role in the flow of arms from Iran to Bosnia, there were some questions raised regarding the requirement in the National Security Act of 1947 to keep the intelligence committees "fully and currently informed of all intelligence activities." We went over this before.

Do you agree that this provision imposes a requirement to report to the committee not only the nature of all intelligence activities, but also any significant intelligence collected by those activities? How do you interpret that?

Acting Director TENET. Senator, I don't—I have a different view. I don't rely on this statute to tell me what my responsibility is here. My responsibility is to give you everything you need to conduct your oversight responsibilities, and I intend to do that.

Chairman SHELBY. And don't surprise us.

Acting Director TENET. Yes, sir, that's right. I'm not a lawyer, and there's probably in all of that some sneaky definition that someone wants me to trip over. But here's my point to you. You have my commitment to work with you to get you the information you need to do your job and make sure this committee gets the information it needs to do its job.

Chairman SHELBY. Do you think the committee should have been notified of intelligence that the CIA and other intelligence elements were collecting regarding the reactions of liaison and other foreign officials to the perceived United States role in supplying arms to the Bosnians?

Acting Director TENET. This gets to the issue, Senator, of are we reporting our policy or not reporting our policy.

Chairman SHELBY. That's right. I know.

Acting Director TENET. Well, it's a difficult question. Remember—

Chairman SHELBY. We've debated it in the committee and outside, as you know.

Acting Director TENET. Obviously, if it's part of our finished intelligence product and countries are reporting, I have no problem with that. But here's where I'm very concerned. I think my predecessor was concerned and a number of people. Policymakers have a responsibility to be forthcoming on these kinds of issues. If we get into a situation where the Director of Central Intelligence is reporting on policy and we're spying on our policy guys, I think it's going to create an untenable situation for me.

They have a responsibility to be fully forthcoming about changes in policy or what policy is or isn't. When they're not, inevitably in the case of all of this you see confusion emerge, concerns about covert actions that never occurred. You had a whole turmoil that shouldn't have occurred if the notification of the policy had been made. And we would have—I think we would have all been better off for it.

Chairman SHELBY. Should the committee only be notified of intelligence the DCI knows to be accurate, or should reports of significance such as suspected human rights violations by liaison or assets be provided to the committee with appropriate caveats regarding the credibility of the source? How would you handle that?

Acting Director TENET. Senator, I think that we do provide all of that information. And when we do get sensitive reporting, it does take us a while to run it down. Sometimes it takes us a while before we transmit to you what we think of something. But I think we're always fully candid about the nature of the report and how we assess its credibility, and we'd always be so in the future.

Chairman SHELBY. Mr. Tenet, if there was significant intelligence reporting that came to you as Director of Central Intelligence that was damaging to the President or to his policies, would you feel obligated, as the Director of Central Intelligence, to inform the intelligence oversight committees? Would you feel obligated by law to notify the President? Or under what circumstances would you notify either Congress or the President or both?

Acting Director TENET. Senator, I would, in this circumstance, feel first an obligation to go tell the President the problem I have found. I work for the President. And as his chief intelligence officer, I have a responsibility to let him know in no uncertain terms about the problem. If it were significant, I have a statutory responsibility to also inform you of the problem that I have discovered.

Chairman SHELBY. Senator Kerrey.

Vice Chairman KERREY. Mr. Tenet, another provision of the Intelligence Authorization Act of 1997 was a requirement that DCI prescribe a regulation requiring designated employees to sign a written agreement on post-employment activities, that they wouldn't represent or advise the Government or any political party of any—

Acting Director TENET. Yes, sir.

Vice Chairman KERREY [continuing]. Foreign country, and on and on and on. Two weeks after the regulations were drafted and published, the committee was notified that the regulations were drafted and published. We weren't consulted on the regulations. I'm not going to ask you about that. I would have preferred that we had been consulted since we did have an interest in it. But the question is the reason for limiting the application of the regulation

to senior officials who are under official cover, as opposed to anyone using commercial cover, designating only those individuals whose responsibilities require that they maintain "regular or recurring substantive interaction with a foreign government which involves the management or delivery of U.S. financial or material support foreign governments but does not include routine intelligence sharing activities." It seems a limiting—

Acting Director TENET. I tried to capture an entire SIS cadre there. I didn't intend it to be limiting, but let me go look at that for you, Senator, and come back to you on that.

Vice Chairman KERREY. It seems to me—I mean, the way I read it, it allows—if I'm an employee, I could escape the restriction by taking a position that doesn't meet the criteria for a year prior to leaving the agency. I mean, that's—it appears to be allowed under the regulation.

Acting Director TENET. Let me go look at that, Senator, and let me get back to you on that.

Vice Chairman KERREY. OK. Again, just briefly on open source, we can talk about this open source and perhaps it's going to be something we'll have to discuss, again, presuming that confirmation occurs. I appreciate your last statement, which was you're not sure this is something that you all ought to be doing, I mean, as far as organizing the effort. Your mission is much more in the clandestine area.

Any thoughts or any discussion—did anybody mention the possibility of establishing an agency external to CIA that would be organizing and disseminating open source information?

Acting Director TENET. I haven't had those kinds of discussions, Senator. Obviously we're in the process at this point of streamlining and modernizing the Foreign Broadcast Information Service, as you know, to bring it into the next century of technology and information we want to have available to us. As to a separate agency, no such discussions other than a real commitment to ensuring that our open source effort really access all the nodes of information that have been generated in the world we live in today.

Vice Chairman KERREY. You recommend that we fund at current levels or increase FBIS?

Acting Director TENET. I think it's—whatever our budget request is, I think, fully allows us to reengineer and keep that effort alive. And I don't think we've sacrificed any of the targets we care about. But we simply have to be able to access new technology, get out of fixed locations, take advantage of computer networks and be able to surge against targets. I think the whole system really was quite inhibiting in that regard.

Vice Chairman KERREY. How do you deal with some of the complaints that we've heard as well on the decision not to produce hard copy of FBIS?

Acting Director TENET. Well, Senator, it's a computer-based environment that we live in. That's another \$3½ million to do it. We probably would have to ask you for another \$5 million on top of that to reconstitute the hard-target capability. I just think we live on a computer-age network at this point, and I just think that that's the way we have to go. And this is a decision that was made

a number of years ago, as you know. I just think that's where we are.

Vice Chairman KERREY. It may be a sound decision. I do think if the customers who are taking that information and converting it into things that we're using say that it's a computer-based world, it's a network world, but it's the hard copy that I'm using to convert, I don't—if I'm sitting where you are and you're sitting where I am and you ask me the question, I'd say, I don't know. So I presume that you deal with these customers all the time. And if they're converting that intel—those broadcasts into something that you're using and that we're using and you reach the conclusion that we ought to go hard copy, go back to hard copy, you ought to feel at liberty to inform the committee that you've reached that conclusion regardless of what decision was made earlier.

Acting Director TENET. OK.

Vice Chairman KERREY. And again, I'd like to—presuming that we get some legislation passed this year pushing forward the development of a secure public network, I think it's going to present us with lots of opportunities to inform the public in an open source way. And again, it may be that your decision is that this is not something that CIA should do, but I know that lots of activity in the community over which you have responsibility to getting more and more into that open source arena.

One of the specific questions that I had was that in the gulf war, both the Commission on Intelligence and the House Permanent Select Committee made some recommendations based upon the use in the gulf war of commercial imagery. We used it heavily, with great success. As I understand now, we're spending just a few million dollars a year. And again, as I understand it, combat customers are saying that 90 percent of their needs for wide-area imagery and military maps at the 1-to-50,000 level that commanders are trying to get are unmet.

And the question is, what are your views on how to improve our ability to exploit this lost-cost commercial imagery and integrate it into our higher cost systems?

Acting Director TENET. As I think you know, Senator, the future imagery architecture that we've talked about in closed session fully anticipates an active role for commercial imagery. In fact, many of the companies that are involved in commercial imagery are fully participating and thinking through how we develop the future architecture. So we're not going to rely on any single source. And I think commercial imagery is going to play a big role in our future in defraying costs and allow us to focus some of the more sophisticated collectors on other targets.

I think it has a very big role to play, and I know that the National Reconnaissance Office is really engaged on this question and with our commercial imagery vendors.

Vice Chairman KERREY. Well, I hope you'll work with this committee, because we've had deep interest in this for 4 or 5 years in trying to answer the question of how we can get this done. And again, customers are out there saying that 1-to-50,000 maps are—I mean, the combat commanders are saying they're not available. And it seems to me we need to answer the question with the best guess answer that we can come up with.

Let me talk about leaks a bit. It's a perpetual problem. It's gone on before this country was a nation, but nonetheless, it does seem like we're seeing an increased number of leaks occur. And, first of all, I wonder if you would agree with that assessment, that leaks from the agency are a problem.

Acting Director TENET. Senator, I think leaks from the entire Government are a problem. There's a breakdown in discipline that is quite fundamental and composes an enormous problem for us. And there isn't any single source that leads the league, so to speak, colloquially. But there is a breakdown. A lot of our analytical product finds its way into the media.

The problem, of course, is that the inevitable consequence of that is that people try and compartment more and more, and what you end up doing is cutting out people who either need to know or have an ability to influence the outcome of a product. But this is a problem that's enormous for our Government. It has serious consequences for sources and methods, for our ability to do our job, and more importantly, for people we're doing business with overseas to trust us, because they don't think we can keep a secret. And we simply have to come to grips with it.

Vice Chairman KERREY. How—

Acting Director TENET. We file crimes reports every week.

Vice Chairman KERREY. Say again?

Acting Director TENET. We file crimes reports with the Attorney General every week about leaks, and we're never successful in litigating one. And I think, you know, if we could just find one, I don't want to prosecute anybody; I want to fire somebody. That will send the right signal to people.

Vice Chairman KERREY. Are you close? I mean, you say you're filing with Justice.

Acting Director TENET. No, we're not close, Senator. And there are instances where you'd think there were very few people who have access and you're not close, because you inevitably find out that you've got hundreds of people who receive a product. And we don't have hundreds of FBI agents to run around and talk to everybody, and it's a real dilemma.

Vice Chairman KERREY. So you feel like you're being as aggressive as you possibly can in investigating these leaks.

Acting Director TENET. We're doing all we can, Senator. But I'll tell you, we're just not anywhere close. And how we restore discipline in this area has got to be collectively one of our highest priorities.

Vice Chairman, KERREY. And it has an impact on your ability to recruit human assets—

Acting Director TENET. Absolutely.

Vice Chairman KERREY [continuing]. And liaisons?

Acting Director TENET. Absolutely.

Vice Chairman KERREY. What's the progress on the CIA declassifying documents in the 1980's and 1990's in Guatemala and Honduras? Where are you with that? We're getting requests—I mean, my understanding is that the information is needed to try to learn what happened to many people during that period in both those countries.

Acting Director TENET. Senator, I don't have a precise answer for you, but I'll get one for you in terms of where we are in the process in both those areas.

Vice Chairman KERREY. Let me open for discussion the Nuccio, Richard Nuccio matter. There have been public allegations that you made available to the press certain classified information regarding past United States actions in Guatemala. We're going to explore that tomorrow in closed session more deeply, but I'd like to give you the opportunity in the open session to give us your interpretation, your view of the matter.

Acting Director TENET. Well, Senator, let me say categorically that I did not leak classified information and I did not confirm classified information to anybody. I know the difference. I've never—I did not engage in any of that kind of activity. It's been constantly alleged that I did, and it's simply not true. I wouldn't be here before you today doing my job and saying what I just did about classified information and how I feel about leaks if I had conducted myself in this manner. And I just want to say categorically I've raised my right hand and I didn't leak it and I didn't confirm it.

Vice Chairman KERREY. Well, I'll say in this session as well that it was Director Deutch that took the action, and he came and briefed me both before, during, and after. And I supported the conclusion that he reached. But we also—that committee sent on January 3, 1997 a letter to you in this case regarding the Nuccio case. And I want to read into the record what I consider to be relevant paragraph in this regard, which is that,

As a general principle, we want to emphasize that employees who learn of possible wrongdoing within the intelligence community should not be prohibited from bringing that information to the intelligence oversight committees without prior authorization, particularly where the wrongdoing may involve their superiors or they have a reasonable fear of retribution.

That's the relevant paragraph for the followup, which is, what action will you take as DCI to ensure that CIA and other intelligence community employees will have the freedom to report possible wrongdoing?

Acting Director TENET. Senator, I don't want to ever stifle an employee who wants to come forward and tell this committee something. We've had employees come to us and say they want to approach you about different issues, and we'll always facilitate that. That's not the point here. In this particular instance, in the case before us, in the Nuccio case—and the information that's alleged was denied—this committee was provided that information. This committee and the House Intelligence Committee was provided the classified information. It was in your possession. This was not an instance of the Central Intelligence Agency of the U.S. Government denying you access to information.

Vice Chairman KERREY. I understand that.

Acting Director TENET. So it's quite different.

Now, with regard to the point you made, I don't want to create—we don't want to create a chilling effect for people not to come forward. But there's a process and there's a method, and then you have the ability to undertake proper oversight in that regard. And I believe in that oversight process.

Vice Chairman KERREY. Well, I just want to make it clear that you're quite right. I mean, this committee was informed in the proper manner. I do secondly support the action that former Director Deutch took in regard to the Nuccio incident. However, as we indicated in our letter to you, I do not want to be interpreted by you or others at CIA that that means that all bets are off as far as being able to come to the community—to the committee and bring to us potential incidents of wrongdoing.

Acting Director TENET. And neither do I, Senator.

Vice Chairman KERREY. Thank you.

Chairman SHELBY. Senator DeWine.

Senator DEWINE. Thank you, Mr. Chairman.

Mr. Tenet, when you talked about this position with the President, did you have a discussion with him in regard to the Cabinet, your position there?

Acting Director TENET. No, sir, I did not.

Senator DEWINE. What's your understanding about that?

Acting Director TENET. My understanding is that I will be a member of the Cabinet. I didn't seek it. The way I plan to deal with it is as follows. I think it's important to maintain the same status that John Deutch retained. I will not go to Cabinet meetings that regard domestic matters. I will only go to those meetings that require my attendance on national security issues and treat it in that manner.

Senator DEWINE. Thank you.

Thank you, Mr. Chairman.

Chairman SHELBY. I have a few more questions, Mr. Tenet.

I want to get into the Persian Gulf syndrome again. Why, despite the fact that the No. 1 threat to coalition forces in the Persian Gulf was possible Iraqi use of chemical and biological weapons, did the CIA fail to set up a formal unit rather than an ad hoc one to provide timely and accurate intelligence to the United States Central Command about the presence of chemical weapons in Iraq and Kuwait? And I know you weren't there then. But had there been a joint task force in place with a charter to search for records on the Iraqi chemical weapons program, it would seem that it'd be possible that the documents that are now just being discovered would have been found at the time and a strong, clear warning that Kamisiyah had been a chemical munition depot during the war would have been sent to United States Central Command.

Now, did the Defense Intelligence Agency, which had the primary responsibility for intelligence support, stand up a formal chemical weapons/biological weapons unit at the time? Or do you know?

Acting Director TENET. Senator, I don't know at the time.

Chairman SHELBY. Could you find out—

Acting Director TENET. I'd be happy to find out for you.

Chairman SHELBY [continuing]. And furnish that for the record? It would be interesting to find out. I'm not directing this at you personally, because I know you were not there then. As a matter of fact, you may have been over here.

Acting Director TENET. I was.

Chairman SHELBY. You were here at this committee.

Dr. Jonathan Tucker—are you familiar with him?

Acting Director TENET. No, sir.

Chairman SHELBY. He's a former member of the staff of the Presidential Advisory Committee. He recently testified before the House Government Reform and Oversight Committee "that considerable evidence suggests that Iraqi forces engaged in sporadic, uncoordinated chemical warfare during the gulf war." This testimony, as you well know, contradicts intelligence community assessments and United States Government statements that there was no Iraqi use of chemical weapons or biological weapons during the Persian Gulf war.

What's your reaction to Dr. Tucker's testimony? And if you hadn't heard it before, would you check it out?

Acting Director TENET. Well, Senator, I do recall reading this article, and my reaction was that I'd like our folks to talk to Dr. Tucker immediately to find out what he bases this on.

Chairman SHELBY. Yes, I'd like to know myself and the committee would. It there's anything to it, you need to know and we need to know.

Acting Director TENET. We have consistently said that we have no evidence of Iraqi use of chemicals during the war. Obviously if there was, we want to know about it. But we have no evidence to date.

Chairman SHELBY. OK.

Senator Kerrey.

Vice Chairman KERREY. Mr. Tenet, just to kind of close at least my part of the open questioning, I'd like to talk again about this problem, this challenge that you'll have as DCI—again, presuming confirmation—of assessing the threat and then establishing the priorities, saying, OK, these are the really dangerous threats. I mean, there are threats still out there that could kill every American and threats that could kill hundreds of thousands of us. I mean, there are threats out there that are still, you know, on that order, even though the likelihood of them happening aren't great.

We constructed an offensive and a defensive strategy all through the cold war, some of which were quite expensive, based upon an unlikely scenario, such as the Russians coming through the Fulda Gap, for example. It wasn't very likely, but if they ever did, it'd be a rather serious problem for Western Europe. And so we put a lot of money up against that possibility. And so it still seems to me appropriate to think about if there is a threat out there that has that kind of higher-order capability.

In addition to that, it seems that sometimes we do get kind of drug along in a dumb current of presumptions that there's a threat out there that may not be as great as we're all talking about. Let me give you an example. A recent report by the State Department discussing the number of people worldwide that were killed by terrorist attacks, as well as the number of incidents worldwide, in, I believe the period was 1996. I presume it was 1996. There wouldn't be—because they were using it as the basis to decide which nations were going to be labeled as terrorist countries.

The headline said the number of people killed had gone up, actually, although the number of incidents was at a 25-year low. And even the numbers going up, I believe close to 200 of them were Tamil terrorists in Sri Lanka, and 80 or so were Hamas in Israel,

and, you know, after that it dropped off pretty dramatically in terms of numbers. And that would seem to mean—I emphasize seem to mean—there is a possibility that at least the public perception of the threat of terrorism may be overstated, may be overestimated. Is that—and it may be—you’re shaking your head no. Maybe you ought to jump in at that point and answer the question. I mean, your presumption is that the threat of terrorism is still quite large.

Acting Director TENET. Senator, my presumption and everything I know is that it is very large and the sophistication of the groups capable of launching terrorism against U.S. interests now is worldwide. They have a capability to move money and people and explosives. And the level of activity continues to be enormously worrisome to U.S. intelligence. They’re fanatical. They have every reason to continue doing what they’re doing. And I am quite concerned that while we don’t have the number of incidents we may have had, don’t judge it by the number of incidents and don’t judge it by the number of causalities, because it doesn’t take much to get your attention all over again. And that’s exactly where they want us. They want us not thinking about what they’re going to do next. But the fact is that the activity worldwide at this moment in time is unprecedented, and the threat to U.S. interests is enormously high.

Vice Chairman KERREY. Well, are you able—and I presume you’ll be able in closed session to put some quantity, some measurement behind the word enormous, because—

Acting Director TENET. Yes, sir; I’m happy to.

Vice Chairman KERREY. And I will—

Acting Director TENET. It may not be the best word, but it’s very high and it’s a great concern to me.

Vice Chairman KERREY. No, it’s a word I use quite often to describe my intelligence, for example. So I can appreciate you using it to apply in this case.

Acting Director TENET. I’ll refrain from comment.

Vice Chairman KERREY. But you understand what I’m pressing for.

Acting Director TENET. Yes, sir.

Vice Chairman KERREY. I mean, I’m pressing for a conclusion that might actually be uncomfortable. And again, it’s connected to this independence idea. My own instincts are that we’re not, as aggressively as we ought to be, dealing with both ballistic, tactical, as well as fissile material in the former Soviet Union. I just—I mean, I think our policy response is short of what it ought to be, given the potential. You know, God willing it’ll never happen, but the potential threat with nuclear, biological, and chemical seems to be quite high.

And it seems to me that there are ways for us, in an unconventional fashion—and I’m not talking covert now; I’m thinking negotiation to substantially reduce that. And I’m very uncomfortable, as we look at the—as I look at the list of threats, the ones that can do the most damage to us, I’m very uncomfortable that our policy response may be at least inadequate and the one that’s the greatest threat. And terrorism, on the other hand, I take what you say as being accurate. I mean, I don’t underestimate—I don’t think I un-

derestimate and I don't think I've been unwilling to provide you and others with the resources to meet that threat. But, you know, if we continue to see downward trends in total number of casualties worldwide from terrorism—or maybe you can say one of the reasons it's going down is we're doing a good job, and that also needs to be taken into consideration. I just want to put you on alert that I intend, as I have in the past, to continue to press and to make certain that we've established a priority, a good list of priority threats, and that we are developing a response based upon that list.

Chairman SHELBY. Mr. Tenet, I thought I'd just focus for a minute or two on the role of the CIA Executive Director. One of the issues considered in the last Congress during the examination of the roles and capabilities of the intelligence community and how Congress might implement a renewal and reform effort, as they call it, was the role of the CIA Executive Director. The Brown Commission and others—you may have looked at this—had noted that the amount of time the DCI spent running the CIA limited the time he could devote to fulfilling his community role. Some people have proposed separating the two functions by appointing a Director of CIA and a separate Director of Central Intelligence. Others have suggested that the CIA Executive Director can act as head of the CIA.

Do you agree, if you've thought about this, that the DCI's ability to manage the community is limited by the amount of time he must devote to running the CIA? And if so, have you any thoughts on how to improve the situation?

And last, does the lack, Mr. Tenet, of a statutory basis for the Executive Director limit the ability of the official to exercise the necessary authority, especially when you put it up against other agency heads, who are often three-star generals? If you want to think about this and come back, that's fine with me.

Acting Director TENET. I think that would be my preference.

Chairman SHELBY. OK.

Senator DeWine, do you have any questions?

Senator DEWINE. Nothing further, thank you Mr. Chairman.

Chairman SHELBY. Senator Kerrey.

Vice Chairman KERREY. No, thank you, Mr. Chairman.

Chairman SHELBY. We have no further questions, we will recess until tomorrow. We'll meet in closed session at 2 o'clock.

Acting Director TENET. Thank you, Senator.

Chairman SHELBY. Thank you.

The committee is in recess.

[Thereupon, at 4:09 p.m., the committee was recessed.]